



SBERBANK

INFORMATION (materials)

**PROVIDED FOR REVIEW TO PERSONS
ENTITLED TO PARTICIPATE
IN THE ANNUAL GENERAL SHAREHOLDERS
MEETING OF SBERBANK ON 2015 RESULTS**

MOSCOW 2016

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Notice of Annual General Shareholders Meeting of Sberbank of Russia

Dear Shareholders,

Sberbank of Russia (Sberbank), located in Russian Federation, Moscow hereby announces that its annual General Shareholders Meeting on 2015 results (hereinafter – the Meeting) will be held on **May 27, 2016**.

Form of the Meeting: meeting (joint presence of shareholders).

Venue of the Meeting: conference hall of Sberbank at: 19 Vavilova Street, Moscow, the Russian Federation.

Start time of the Meeting: 10:00 a.m., Moscow time.

The list of persons entitled to attend the Meeting has been compiled as of close of business on April 14, 2016.

Meeting Agenda:

1. Approval of the annual report
2. Approval of the annual accounting (financial) statements
3. Distribution of profits and payment of dividends for 2015
4. Appointment of an audit organization
5. Election of members of the Supervisory Board
6. Election of members of the Audit Commission
7. Amendments to the Charter
8. Approval of the related party transactions
9. Approval of the amount of the basic remuneration of the Supervisory Board members

Registration of the Meeting attendees will take place on May 27, 2016, starting from 8:00 a.m. (Moscow time) at the Meeting venue.

The shareholders or their representatives are admitted for registration. To register in the Meeting the following documents are to be presented:

- by shareholder – passport or any other ID;
- by shareholder's representative – passport or any other ID and documents confirming his/her powers, executed in accordance with the requirements of current legislation.

The shareholders may execute their right to participate in the Meeting having sent the filled in the voting ballots to address: 19 Vavilova Street, Moscow 117997, Sberbank. The deadline for receipt of completed voting ballots: not later than 18:00 (Moscow time) on May 24, 2016. The ballots received after the indicated deadline will not be counted in determining the quorum of the Meeting and voting results.

The Meeting information (materials) provided for review to persons entitled to participate in the Meeting will be available from April 26, 2016, at the location of Sberbank (19 Vavilova Street, Moscow, the Russian Federation); in branches – regional banks as well as on the website of Sberbank at www.sberbank.com.

The information (materials) will be available to persons entitled to attend the Meeting at the time and venue of the Meeting.

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

Item No. 1

Approval of the annual report

Draft resolution on the item.

Approve the annual report for 2015.

Clarifying information on the item

In accordance with Federal Law No. 208-FZ, dated December 26, 1995, On Joint Stock Companies, the Bank is required to hold an Annual General Shareholders Meeting to consider, among other things, the matter of approving the annual report (according to the provisions of the Amendments to the Charter of the Bank, this matter is not reserved to the Supervisory Board).

Regulations governing the procedure for preparing the annual report:

- Federal Law No. 39-FZ dated April 22, 1996 "On the Securities Market";
- Federal Law No. 208-FZ dated December 26, 1995 "On Joint Stock Companies";
- regulation on additional requirements for the procedure for preparing, convening and holding the Annual General Shareholders Meeting (approved by Order of the Federal Financial Markets Service No. 12-6/pz-n dated February 2, 2012);
- Regulation of the Bank of Russia No. 454-P dated December 30, 2014 on Disclosures by Issuers of Emission Securities as amended and restated by Ordinance of the Bank of Russia No. 3899-U dated December 16, 2015.

The annual report proposed to the Bank's shareholders for approval contains detailed information related to the Bank's business development, its industry status and development prospects. Furthermore, in accordance with the laws of the Russian Federation, the annual report includes information on compliance with the principles and recommendations of the Corporate Governance Code recommended by the Bank of Russia in letter 06-25/2463 of April 10, 2014.

In this section of the annual report, the Bank discloses structured information on the existing corporate governance system. In particular, the section provides:

- a detailed report on the Bank's compliance with the principles and recommendations of the Corporate Governance Code;
- information related to the membership of management bodies and the decision-making process and performance of the Supervisory Board (the main results of the assessment of the performance of the Supervisory Board and its Committees are given, and the performance report of the Supervisory Board and its Committees is presented);
- information related to the remuneration system of the Bank's management bodies;
- the list of the Bank's transactions in 2015 which are recognized as related-party transactions in accordance with applicable law and approved by the Supervisory Board;
- information on the risk management and internal control system.

At the meeting of April 12, 2016, the Supervisory Board addressed the matter of Sberbank's preliminary approval of the annual report for 2015 and resolved as follows:

- to grant preliminary approval of the Sberbank's annual report for 2015 and include it in information (materials) provided for review to the persons eligible to attend the Annual General Shareholders Meeting of Sberbank in 2015;
- to propose that the Annual General Shareholders Meeting approve Sberbank's annual report for 2015.

The Audit Commission of the Bank confirmed the validity of the information included in the annual report.

Approved by the Supervisory
Board of Sberbank
Minutes No. 16 dated April 12, 2016

Annual Report of Sberbank for 2015

Approved by the Audit Commission
of Sberbank

RAS, unconsolidated figures

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1. Introduction

This Report is the report on the results of Sberbank's¹ development in its priority areas of activity in 2015.

The priority areas of the Bank's activity are:

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

The Bank operates under General License No. 1481 for Banking Operations in Rubles and Foreign Currencies issued by Bank of Russia on August 11, 2015. In addition, Sberbank holds licenses for banking operations of attracting deposits and placing precious metals, other operations with precious metals, licenses of a professional securities market participant to act as a broker, dealer, depository, and a securities manager.

This Report is drawn up in accordance with the legislation of the Russian Federation, including the following laws:

- Federal Law No. 39-FZ dated April 22, 1996, On the Securities Market, Federal Law No. 208-FZ dated December 26, 1995, On Joint-Stock Companies
- Regulation on Additional Requirements for Preparing, Convening, and Holding General Shareholders' Meetings approved by Order No. 12-6/pz-n of the FCFM dated February 2, 2012
- Bank of Russia Regulation No. 454-P dated December 30, 2014, On Information Disclosure by the Issuers of Issue-Grade Securities as amended by Bank of Russia Ordinance No. 3899-U dated December 16, 2015²

This Report has been prepared with consideration for the Code of Corporate Governance recommended for application by Bank of Russia on April 10, 2014³.

This Report is based on disclosure reporting forms (as per Russian Accounting Standards, nonconsolidated data) and the Bank's internal statistical reporting forms. This Report includes events after the reporting date of January 1, 2015, through January 1, 2016.

The Bank's 2015 annual financial statements are posted on Sberbank's website www.sberbank.com.

¹ Hereinafter referred to as the "Sberbank", the "Bank".

² Bank of Russia Ordinance No. 454-P dated December 16, 2014, On Information Disclosure by the Issuers of Issue-Grade Securities.

³ Hereinafter referred to as the "Bank of Russia Governance".

2. 2015 Summary

Main Results for 2015⁴

RUB million	Jan 1, '16	Jan 1, '15
Assets	22,706,916	21,746,760
Capital ⁵	2,658,051	2,311,530
	2015	2014
Profit before taxes	306,900	429,206
Profit after taxes	218,387	311,213

In 2015, the Bank's **assets** grew mainly due to loans to legal entities and individuals and to net investments in securities and other financial assets available for sale. The growth of balance sheet items was significantly influenced by a positive revaluation of their currency component due to the weakening of the ruble's exchange rate against the major foreign currencies: the US dollar exchange rate went up by 29.5% to reach 72.9 RUB/USD, and the euro exchange rate increased by 16.6% to reach 79.7 RUB/EUR.

Capital, calculated according to Bank of Russia Regulation No. 395-P increased in 2015 by RUB 347 billion and totaled RUB 2,658 billion. The key factors increasing capital are as follows: earned net profit and the addition of a 200 billion ruble subordinated loan from Bank of Russia received in 2014 under Federal Law No. 173-FZ⁶ to finance active operations. In December 2015, the Bank also included in capital a subordinated loan from PPF⁷. Capital performance was also affected by the Bank's gradual transition to the requirements of Basel III, which is to be implemented within the next five years with regard to certain items of calculation.

Risk-adjusted assets increased in 2015 by RUB 2,534 billion. The impact of the ruble's devaluation was partly mitigated by the decision of Bank of Russia to use the preferential exchange rates for foreign currency assets reflected in the accounts before December 31, 2014.

Sberbank's total adequacy ratio (N1.0) as of January 2016 was 11.9% showing a 0.3 pp increase for the year.

Sberbank's profit before tax was RUB 306.9 billion (RUB 429.2 billion in 2014), and **profit after tax** was RUB 218.4 billion (RUB 311.2 billion in 2014). The key factor affecting the decrease was net interest income, which decreased in the beginning of the year due to the rapid growth of interest rates in the market and the large amount of raised funds. By the end of the year, Sberbank managed to reduce the gap to 2014 levels mainly thanks to state funding repayments, the development of commission operations, and the consistent implementation of its cost reduction program.

⁴ Here and elsewhere, the figures provided in the tables may differ from calculation data as a result of rounding.

⁵ Capital is calculated in accordance with Regulation No. 395-P "On Methods for Defining the Value of Equity (Capital) of Credit Organizations (Basel III)" approved by Bank of Russia on December 28, 2012, and in effect as of the corresponding reporting date (hereinafter referred to as the "Bank of Russia Regulation No. 395-P").

⁶ Federal Law No. 173-FZ dated October 13, 2008, On Additional Measures to Support the Financial System of the Russian Federation.

⁷ Private Pension Fund.

Assets and Liabilities

<i>RUB billion</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Cash and cash equivalents	733	1,241
Funds in Bank of Russia	587	370
Funds held by credit institutions	356	356
Net investments in securities for sale	2,316	1,745
Net investments in securities held to maturity	436	366
Financial assets carried at fair value through profit or loss	406	826
Net loans receivable	16,870	15,889
Fixed assets, inventory	477	479
Other	526	475
Assets	22,707	21,747
Funds of Bank of Russia	769	3,516
Funds of banks	618	795
Customer deposits	17,722	14,027
Debt securities in issue	648	513
Financial liabilities carried at fair value through profit or loss	228	618
Other liabilities	356	259
Provisions for other losses	38	37
Sources of equity	2,328	1,982
Liabilitie	22,707	21,747

Assets grew by 4.4 % in 2015 to reach RUB 22.7 trillion. Their growth was due mainly to the increased credit portfolio of customers. The **net loans** of customers increased by 6.2 % during the year and reached an approximate value of RUB 16,9 trillion. During the past year, the amount of loans issued to corporate customers was around RUB 6.8 trillion. Loans to private customers amounted to more than RUB 1.2 trillion. Also, the growth of assets was influenced by increases in net investments in securities, which was due mainly to the purchase of securities for the portfolio to sell off and the effect of currency revaluation.

The decrease in the volume of **cash and cash equivalents** in January was due mainly to a fall in demand for cash because of the reduced volatility of the ruble exchange rate.

Different sources of fund raising were used to fund active operations. The behavior of **customer borrowings** is shown below.

Customer Deposits

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Individuals and individual entrepreneurs	10,221,285	7,999,052
Corporate customers	7,372,888	5,893,843
Deposits in precious metals and other deposits	128,251	133,829
Total due to customers	17,722,423	14,026,724

The amount of **funds raised both from corporate customers and individuals** increased both for ruble accounts and accounts in a foreign currency. Despite the persistence of geopolitical tensions in 2015 and the lack of access to foreign markets, the Bank has significantly reduced its dependence on state funding (Bank of Russia funds on the balance sheet of Sberbank decreased from RUB 3.5 trillion to RUB 0.8 trillion) by attracting additional funds from customers. The inflow of customer funds enabled the Bank to repay the number of expensive borrowings from external markets in advance.

Taking into consideration the ongoing sanctions and an unstable macroeconomic situation, the Bank has considerably increased its amount of liquidity provisions to reduce liquidity risk⁸ mainly thanks to the work completed in 2015 to increase collateral value based on Bank of Russia Regulation No. 312-P⁹. In addition, the Bank is constantly working on expanding its list of refinancing instruments.

Income and Expenses

Aggregated Statement of Financial Performance

RUB billion	2015	2014
Net interest income	866.7	959.7
Net fee and commission income	265.9	217.2
Net income from operations with financial assets, securities, and foreign currency	68.9	94.2
Other operating income	19.6	47.6
Operating income before provisioning	1,221.1	1,318.6
Change in provisions	-294.4	-290.8
Operating expenses	-619.8	-598.7
Profit before taxes	306.9	429.2
Tax compensation (expenses)	-88.5	-118.0
Profit after taxes	218.4	311.2

Operating income before the creation of reserves was RUB 1,221 billion compared to RUB 1,319 billion a year earlier.

Interest income increased by 20.3%. 57% of interest income was made thanks to loans to legal entities, and growth was thanks to increases in loan volumes and profitability. 32% of interest income was made thanks to loans to individuals, and their growth was thanks to growth in retail lending volumes (mainly, mortgage lending).

Interest Income by Type of Assets

RUB million	2015	2014
Loans to legal entities	1,146,980	886,788
Loans to individuals	630,705	576,708
Securities available for sale	100,379	98,377
Loans to banks	44,810	31,546
Securities held to maturity	26,636	27,889
Proceeds from sales of insurance products to individuals	16,704	23,139
Securities assessed through profit or loss	3,386	2,988
Nostro accounts	362	71
Funds in Bank of Russia	125	218
Fines, penalties, prior period income, and others	28,941	14,161
Total interest income	1,999,028	1 661,885

Interest expenses increased by 61.3%. This was primarily caused by an increase in market rates and the volume of customer funds.

⁸ The Bank's ability to acquire funds from Bank of Russia under its current refinancing instruments.

⁹ Bank of Russia Regulation No. 312-P dated November 12, 2007, On the Procedure for Extending Bank of Russia Loans to Credit Institutions Secured by Assets or Guarantees.

Interest Costs by Types of Funds Raised

RUB million	2015	2014
Term deposits of individuals	468,860	279,605
Term deposits of legal entities	235,607	126,463
Deposits of Bank of Russia	187,231	145,864
Current accounts of legal entities	66,942	35,498
Promissory notes, savings, and deposit certificates	54,406	25,999
Bonds	45,231	31,442
Subordinated loans	32,500	26,481
Term deposits of banks	22,508	14,167
Demand accounts of individuals	13,736	12,985
Loro correspondent accounts	4,362	2,601
Expenses of previous years, fines, and penalties	987	1,056
Total interest expenses	1,132,370	702,161

The Bank increased **net fee and commission income** despite a decrease in commission income from lending operations and bank insurance. The most significant growth was thanks to operations with bank cards and acquiring operations because of an increase in the amount of issued cards and the number of customers using Sberbank acquiring services. The increase in commission expenses was because of an increase in the amount of transactions with bank cards that affect the amount of payments to payment systems.

Fee and Commission Income and Expenses

RUB million	2015	2014
Fee and Commission income		
Bank card transactions	156,078	126,455
Settlement operations	54,562	38,942
Cash transactions	30,134	31,186
Account management	13,201	11,740
Bank guarantees	13,603	9,396
Currency control	4,963	4,138
Foreign currency operations	4,907	5,185
Trade funding and documentary operations	3,803	2,662
Budget funds service	3,037	1,705
Safe deposit box rental services	1,350	1,342
Securities trading	1,038	921
Agency and other services	415	386
Other	10,610	7,056
Total fee and commission income	297,701	241,114
Fee and commission expenses		
Bank card transactions	25,484	18,537
Settlement operations, expenditure	2,553	2,483
Cash collection	348	392
Other	3,375	2,527
Total fee commission expenses	31,760	23,939
Net fee and commission income	265,941	217,175

Operational expenses increased by 3.5%. The low growth rate of operational expenses is due to the implementation of a cost optimization program. The Bank improved its procurement system, including in terms of IT, and enhanced the efficiency of use for real estate objects.

Operational expenses

RUB million	2015	2014
Staff costs	263,865	254,346
Administrative expenses	128,065	126,380
Depreciation	43,625	46,733
Contributions to the Mandatory Deposit Insurance Fund	34,604	30,544
Expenses from sales of own receivables	108,091	107,396
Other operating expenses	41,556	25,552
Operational expenses	619,806	598,666

In 2015, the **Bank's expenses for creating provisions** was RUB 294.4 billion, which is close to the previous year's amount. In the midst of a difficult general situation in the economy, the quality of Sberbank's assets remains stable. One part of the created reserves is associated with portfolio growth and not with its decline, and another part is associated with the weakening of the ruble, which required the creation of additional foreign currency loan reserves without affecting their quality. The share of overdue loads in Sberbank is still two times better than in the Russian banking sector.

Sberbank's **profit before taxes** was RUB 306.9 billion (RUB 429.2 billion in 2014), and **profit after taxes** was RUB 218.4 billion (RUB 311.2 billion in 2014).

3. The Company's Position in the Sector

The economic downturn in Russia together with the ruble's devaluation, the rise of inflation, and the deterioration of most macroeconomic indicators have all influenced banking markets dynamics in 2015. This situation was aggravated by the cumulative effect of negative external factors: the decline in global oil prices and a high level of geopolitical tension.

The ruble's devaluation of 29.5% against the US dollar almost leveled all growth in most banking markets. Thus, the banking system's assets increased by 6.9% in nominal terms and decreased by 1.6% without currency revaluation. For comparison, in 2014 bank assets increased by 35.2%.

The loan portfolio of the banking system increased by 8.2%, which is significantly less than a year ago when the increase totaled 25.4%. There were also the following diverse dynamics: the amount of loans granted to companies increased by 13.4% (30.3% a year ago), and the retail loans portfolio decreased by 5.7% (13.8% a year ago).

Credit risks in the banking system increased significantly. The level of overdue retail loans increased from 4.6% to 6.5%. The level of bad household debts increased from 5.9% to 8.1%, and for businesses, from 4.1% to 6.1%. The increase in the amount of overdue loans for households and businesses was 54.3% during 2015.

The growth of loan provisions was 30.8%, which is less growth than in the previous year (43.1%). The coverage of overdue debt using reserves decreased from 1.8% to 1.5% in light of the deterioration of the bank financial conditions and increasing pressure on capital.

Retail deposits remained the main source of resources, having increased by 25.2% throughout the year, or by 16.7% without currency revaluation. In 2014, deposits increased by 9.4%. Due to legal entities increased by 14.1% against 32.2% a year before.

The inflow of customer funds in the midst of a stagnated loan market enabled the Bank to reduce the amount of refinancing by 42.3% on the regulator's side. A year before, the funds raised from Bank of Russia increased by 109.2%.

As of the end of 2015, the balance-sheet profit of the banking system was RUB 192.0 billion, which is significantly below 2014 levels (RUB 589 billion). Twenty-five percent of banks among existing credit institutions were unprofitable in 2015 (15% in the previous year).

Share of Sberbank in the Main Segments of the Russian Financial Market¹⁰

	Jan 1, '16	Jan 1, '15
Assets	28.7%	29.1%
Loans to corporate customers	32.2%	35.0%
Loans to private customers	38.7%	35.9%
Due to corporate customers	25.0%	21.9%
Funds of private customers	46.0%	45.0%
Profit before profit tax	146.8%	67.9%
Capital	29.7%	28.7%

¹⁰ Calculation was done using Sberbank's internal methodology based on the data provided by Bank of Russia.

4. Corporate Business

Major achievements in 2015 in the field of corporate customer relations:

- In this reporting year, Sberbank raised a *record amount of due to corporate customers*. The growth topped out at RUB 1.5 trillion, and the balance reached RUB 7.4 trillion. All operations to raise funds from corporate customers were particularly important this year as throughout the year the Bank replaced expensive Bank of Russia funds with client funds.
- The Bank introduced *innovative online services* that facilitate the following client business operations: business registration, electronic submission of reports to the Federal Tax Service and other bodies using the Sberbank system, reserving settlement accounts.
- Clients conduct the overwhelming majority of operations in *remote channels*: 97% of operations are conducted through Sberbank's online services, 90% of clients use the self-cash collection service in self-service terminals (up to RUB 100 thousand), 98% of corporate deposits are opened remotely.
- All the Bank's corporate customers have the ability to make payments to counteragents on Sberbank accounts *7 days a week on a 17/7 basis* (i.e., during the same day from 6:00 a.m. to 11:00 p.m., including weekends and holidays).
- The technical support of services for companies was evaluated at CNews AWARDS where Sberbank, according to the 2015 results, won the category on the "*Organization of Technical Support for Corporate Customers*".
- Sberbank launched a remote banking system for financial institutions named *Sberbank FinLine* that offers accounting and document settlement management services online with SWIFT support.

Sberbank is a key supplier of financial resources for the Russian economy. During 2015, Sberbank issued loans to corporate customers in the amount of RUB 6.8 trillion. Its legal entities loan portfolio increased by 5.2% to reach RUB 12.2 trillion. Foreign currency loans make up about 37% of the corporate customer loan portfolio. The Bank actively engages with customers of various scale and forms of ownership. The segment-based structure of the portfolio is presented below.

Structure of Corporate Loan Portfolio by Customer Segments

	Jan 1, '16		Jan 1, '15	
	RUB billion	share (%)	RUB billion	share (%)
Largest business	7,830	63.9	7,118	61.1
Large and medium business	2,931	23.9	3,079	26.4
Small and micro business	472	3.9	565	4.9
Regional state sector	878	7.2	756	6.5
Other	138	1.1	130	1.1
Total	12,249	100.0	11,648	100.0

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

CIB Unit

Operations with Major Customers

The target business model of the CIB Unit was developed in 2015. We changed the criteria for placing customers in segments: the criterion for the annual revenue of holding companies was increased from RUB 15 to 30 billion. Because of these changes a portion of CIB Unit customers are transferred to the Corporate Business Block.

The new system of interaction with customers depends on the potential of product sales volumes and revenue. Our customer service teams are continuing to do their work, and we started sales campaigns for 9 products that include salary projects, trade funding and documentation operations, international economic activity, conversion operations, acquiring, cash collection services, transactions through correspondent accounts, liabilities, and MB&A products.

We introduced the position of CIB operational manager as a single point of contact between customers and banks on all operational matters. We also changed the procedures for handling customer requests, and now all requests are handled in a single center. The HEPL CIB Service supports customer managers in all unusual and disputable operational situations, which improves the efficiency of handling requests and lets customers receive personalized answers to their questions.

The Sberbank CIB syndicated lending team, together with the Association of Regional Banks of Russia, developed and presented to the banking community standard documentation on syndicated lending in Russian legislation. Under the current economic circumstances, syndicated lending helps to make large restructuring projects a reality, including the involvement of state guarantees, and also the performance of long-term financing for investment projects together with other banks.

In 2015, the Bank introduced new products that are enjoying immense popularity among customers, including Key+, Domestic Letters of Credit with advanced payment, and others. We launched the transfer of nonferrous metals in commodity operations and completed a number of transactions with zinc, copper, nickel, and aluminum.

We created lending infrastructure using the yuan and signed a trade funding cooperation agreement with leading Chinese banks in the amount of more than USD 4.5 billion.

Meetings between Sberbank Investment Research and the customers of regional banks are held on a regular basis. The conference titled "Mining and Metallurgy: Fertilizer Manufacturing" held in 2015 managed to gather together more than 200 representatives of business, state bodies, and industry experts on the same discussion platform. Despite the difficult macroeconomic conditions, the CIB customer satisfaction rate grew by 1 point to reach 78.5, compared to the previous year according to the results of an independent study.

One of our technological innovations is the launching of a broker platform on iPad and an options trading system on the ORC platform from the Department of Global Markets. We also completed the automation of all EMIR demands related to the European regulation of the derivatives market, which granted Sberbank access to this market.

The Department of Trade Finance and Correspondent Banking Relations commenced its pilot operations of a remote banking system for financial institutions named Sberbank FinLine. Eleven financial institutions took part in the pilot. The system offers accounting and document settlement management services online with SWIFT support.

Sberbank continues to optimize its corporate business structure, and there is a shift to the target CIB legal and organizational structures. We created CIB vertical in Russian regions

and assigned verticals on lending, real estate financing, and monitoring for lending operations, significantly improved the quality of project management in the CIB Unit (control over project implementation was brought in line with Sberbank standards), and conducted due diligence of international CIB offices.

Transactions on Global Markets

The main achievements regarding *trade transactions on the currency market* in 2015 are related to the implementation of large-scale conversion transactions with corporate customers in the amount of more than USD 1 billion without influence on the exchange rate, the launching of a new product (forwards with an open date), the optimization of transactions conducted through the Visa payment system, as well as the launch of an e-trading platform titled Sberbank Markets in pilot operations.

We also developed transactions with *currency and interest derivatives* along with dynamic management for counterparty credit risks. We successfully launched the following new products: loans with an embedded quanto swap, transaction participation guarantees, and margin deposits.

Sberbank was extremely active in its work on the *money market*. The main market trend in 2015 was the decrease of credit institution indebtedness in rubles and US dollars to monetary policy bodies; refinancing was made possible due primarily to the growth of the banks' short-term currency liabilities. Taking this into consideration, Sberbank increased its reversed repo portfolio from USD 1.5 billion to USD 3 billion. Furthermore, the new products that were introduced allow for:

- The placement of US dollars and euros through repo transactions on the Moscow Stock Exchange both on the interdealer market and through a central counterparty
- Noncollateral securities lending that helps the Bank raise additional liquidity
- Repo transactions with a floating rate

As concerns *trade transactions on the commodity markets*, a number of landmark transactions for the bank was made, including the world's largest transaction on hedging precious metals, the first transaction of a physical prepayment for oil, and the Bank's first hedging transactions with zinc, copper, nickel, and aluminum.

We are developing our *debt instrument trading* operations through work with customers on the detection of competing interests in securities and through correct market positioning when the spread tightens, and revenue falls. The most important events of 2015 are as follows:

- A large-scale transaction on acquiring Federal Loan Bonds with a floating coupon as part of a banking syndicate
- Our new product – that is, exchange bonds with a floating nominal, where Sberbank was one of the underwriters of the first issue of Federal Loan Bonds with a nominal tied to inflation
- The first transaction on the acquisition of a loan note for the loan on Sberbank Switzerland's balance sheet
- Registration of the Sberbank Structural Exchange Bonds Program based on Russian legislation by the Moscow Stock Exchange: 34 series of exchange bonds with a total nominal value of RUB 50 billion

Market conditions under external constraints did not allow much momentum to be gained in the turnover of *shares and shares derivatives*. Under these conditions, the Bank developed a technological platform for the trade of shares derivatives called the ORC system that automates derivative sales strategies, decreases transaction expenses, and increases order execution

speed. The Bank also completed its integration with the Turkish broker Deniz Yatirim (a subsidiary of DenizBank), which expanded the product line and turned Sberbank into a broker that had interests outside of Russia.

Business on the *equity and debt capital markets (ECM and DCM)* is currently being developed successfully. In 2015, according to the Cbonds data, Sberbank CIB was the market leader in the organization of ruble bond placements. The Bank also started operations in a new segment of international DCM for itself, debt management. In addition, the Bank returned to the Eurobond placement market, successfully placed its first issue of Federal Loan Bonds with the nominal value indexed according to inflation, closed its first transaction on a "rights issue," and received its first international mandate on the ECM market.

The Cyprus office of Sberbank CIB received two prestigious awards in 2015:

- The Cyprus Investment Promotion Agency (CIPA) award for a significant contribution to the strengthening of Cyprus' image as an international business center
- The title of Investment Adviser of the Year in Cyprus in the 2015 M&A Awards, which were organized by the British publication Finance Monthly

Trade Finance

Trade finance continues its successful development. In 2015, the amount of transactions settled by Sberbank Group related to trade finance and business documentation made over USD 29 billion, and including Sberbank, over USD 18 billion.

The amount of transactions with the involvement of domestic letters of credit reached the record figure in 2015 of RUB 288 billion, which is 73% more than that of the last year.

In 2015, Sberbank came out with a new product for the support of Russian business called "Domestic "Uncovered" Letters of Credit with Advanced Payment". In regard to this product, the Bank is a source of trade transaction funding and provides the possibility for a trader/contractor to receive payment before the end of the delay specified by the agreement and letter of credit terms and conditions. This product is available to Russian companies that buy or deliver goods/services in the Russian Federation.

The continued improvement of relations between Russia and China is opening up the door to new powerful capabilities related to trade finance. Sberbank signed a number of agreements with leading Chinese financial institutions with limits for an overall amount of more than CNY 12 billion. Cooperation with Chinese banks is being carried out for the entire Sberbank trade finance product line. One of Sberbank's new products (post financing of letters of credit in CNY) is actively gaining momentum. Sberbank issued about 150 letters of credit in CNY to customers from many different regions of Russia.

In support of the growing demand from Russian exporters of capital goods, Sberbank formed one of the biggest transaction portfolios with insurance coverage from the Russian Agency for Export Credit and Investments Insurance, (EXIAR) which as of January 1, 2016, exceeded RUB 24 billion.

Active cooperation with a number of export credit agencies from the West, Eastern Europe, China, and other countries is still continuing. We are negotiating on the extension of a line of both long-term and short-term products with export credit agencies support to provide maximum support to Sberbank customer transactions with foreign exporters. In June 2015, we signed a Memorandum of Understanding with the Italian Export credit agency SACE.

Another important business area that was actively developed upon in 2015 was Commodity Trade Finance (the financing of commodity goods), which Sberbank is developing on the platform of its subsidiary bank in Switzerland. This product line is primarily meant for trade companies operating in the oil, coal, metals, grain, etc., trade on the international market. The customers of Sberbank's subsidiary bank in Switzerland are already the world's biggest traders and leaders of Russian exports in these fields.

The amount of completed CTF transactions (the largest source of support for Russian exports) was over USD 480 million, which increased the portfolio for this line of business more than 3.5 times.

Sberbank's activities in trade finance and the documentary and settlement business both in Russia and the international market have traditionally been highly regarded. In 2015, leading international financial publications, such as *Global Finance* and *Trade & Forfaiting Review*, named Sberbank the best bank for trade finance in Russia and the CIS. Also, according to a study from the RAEX rating agency, Sberbank is a leader on the market of domestic letters of credit settlements.

Corporate Business Unit

Large and Medium Business

Sberbank continues its cooperation with large corporate and medium-sized business customers and is optimizing its activities in this segment. On the whole, these operations are transforming in several different ways, including an increase of the use of digital processes, a decrease in the operational function of employees, and shifts toward the use of consultations. Employees are becoming not so much operators as assistants and partners who can advise customers in a professional manner on the correct solution for their business issues. Such a service model emphasizes the importance of face-to-face contact. That is why the activities of contact centers are being changed, and remote customer managers and product specialists are starting to appear.

A unified system of sales management was implemented for all verticals that covers the management functions of 900 ISU managers¹¹ in the Corporate Business Block, 180 regional managers, and 80 sales division managers. The system unifies a variety of processes on all levels and provides for unified planning and goal-setting business rhythms on the entire sales network.

The *service model for new corporate customers* was created on the basis of customer requests and wishes and made the first 100 days of cooperation with the Bank maximally transparent and convenient for customers. Mandatory acquaintance with an ISU manager and online customer services training are the most important new stages. The model utilized demonstrated full compliance with customer wishes and minimized new customer outflow.

The creation of *customer and product teams* for work with large and medium businesses allows for both new and current customers to receive comprehensive banking services with the assignment of a specialist. The consolidation of employees on the basis of common goals helps replace the competitive interaction between Bank specialists with a coherent move toward the maximum satisfaction of customer requirements. Forming a team for a regular group of customers and not for each separate transaction provides customers with the highest level of service.

Sberbank is creating a product line to provide customers with easy access to borrowed funds and financial instruments that suit them best. We are in the process of launching an

¹¹ Internal structural unit.

online lending service where clients can request and receive a loan without ever visiting a bank. We have also implemented e-guarantees and e-factoring services.

We can offer cash management services for medium-sized, large, and even the largest businesses that is in fact much the same as the work of a treasurer. With the help of this instrument, customers will be able to manage their cash flows, control subsidiary companies and branches, and ensure the current liquidity of holding-type companies.

Cooperation with Government Agencies

Sberbank entered into 1,434 loan agreements in the amount of RUB 397 billion with "regional state sector" segment customers. The overall amount of loan resources provided totals RUB 882 billion. The balance of customer loan debt in this segment was RUB 877 billion as of January 1, 2016. According to Bank of Russia, as of January 1, 2016, Sberbank's share in the lending market for government authorities of members of the Russian Federation and local self-government authorities was 74.9 %.

Small and Microbusinesses

Sberbank provides services to 53 % of all small and microbusinesses. That is a total of 1.18 billion customers. In 2015, the Bank supplemented its line of customer services with a new and unique product for the market, an integrated package of services called *My Team*, which included business assistant, lawyer, and accounting services along with unlimited settlement and cash services, such as account management, payments, and the acceptance of cash on the account. The Bank is also preparing to launch new nonfinancial services for its customers.

The Bank is currently working on how to improve customer businesses. In particular, the Sberbank Analytics service was developed so clients could have the decision to opt out of receiving financial advice. Using this convenient interface, customers will be able to have more control over their activities, including income and expenses, counterparties, cash deficiencies, and many other things.

We provided corporate customers with the option to choose the most convenient channel to receive consultation services, which is something of particular importance during peak traffic times on phone lines. We are also actively using new communication channels with customers, including feedback services on the Bank's website, callback services, and an online chat service on Internet banking. At the annual FocusForum conference organized by the newspaper "Vedomosti," Sberbank won a special prize "For Customer Focus" for work done as part of the project on support for corporate customers in the Contact Center. Sberbank also won the nomination for "Project of the Year for the Organization of Technical Support for Corporate Customers" at the CNews Awards ceremony.

With the help of the *Small and microbusinesses development model*, which is based on mathematical models and helps significantly increase the quality of targeted offers for customers, the Bank calculated the potential of each sales point that was used during the business planning process for 2016.

Interactions with state bodies are one of the key processes for Russian entrepreneurs. Sberbank has created products that facilitate this process and help entrepreneurs build the right interaction mechanisms under current Russian legislation. Sberbank customers have the ability to file accounts to the Russian Federal Tax Service and other regulatory bodies online and to pay taxes on time and in a way that is convenient for them. Sberbank is working toward Sberbank Internet banking integration with taxpayer accounts on the Federal Tax Service website. In addition, customers can find out information on various state programs of business support through this application.

The Bank continues its cooperation with the *Federal corporation for the Development of Small and Medium Enterprises JSV*¹². The cooperation agreement with the SME Development Corporation enables the Bank to raise guarantees of the first category of quality assurance for a wide range of loan products and bank guarantees for small and medium-sized enterprises. The guarantees may cover up to 70 % of loan debt and can be raised by SMEs in every member state of the Russian Federation. Throughout 2015, the Bank issued nearly 2.5 thousand loans and guarantees in the amount of about RUB 21 billion against SME Development Corporation guarantees. As of the end of 2015, Sberbank's share in the total portfolio of SME Corporation guarantees was about 44 %.

In 2015, the Bank issued loans to SME members against the surety of *regional guarantee organizations* for an overall total of RUB 11.2 billion in 73 member states of the Russian Federation.

Sberbank supports clients who have lost their partner banks: there are special offers for clients of credit institutions deprived of their banking licenses by Bank of Russia, such as free account openings, free service management using Sberbank Business Online system¹³, and three months of services from the "Basis" package at the price of RUB 1.00 per month.

The project titled *Affiliate Program of the Business Environment* aimed at the formation of acquisition channels for Bank customers through partner-agents reached full capacity. As of the end of 2015, over 42,000 transactions had been concluded, the partner network consisted of 200 partners, and conversion in transactions was 42 %. One of the key focuses for 2016 is the creation of platform-aggregators of financial and insurance services on the market and their connection to banks and insurance companies.

Under the project "*Business School*" we provide 26 thousand entrepreneurs with access to business education programs (170 video courses). More than 35 thousand entrepreneurs from various regions, including the most remote corners of the country, have taken part in these nationwide educational workshops. The speakers at these workshops were business trainers, representatives from government authorities, and successful business people. Eighty thousand entrepreneurs receive information on a regular basis on new educational events and advice from leading market experts as a part of special information digests. One of the key focuses for 2016 is the organization of Russia's largest platform for the remote education of small companies on the basis of the Business School and partnerships with other leading business schools, incubators, and expert platforms.

Corporate Banking Services

The Bank strives to make interaction with customers convenient and easy from the moment a business is opened. The Bank lets businesses register without visiting the Russian Federal Tax Service and can reserve an account for a client in the span of 3 minutes.

When reserving the account, the entrepreneur receives a number that can be used to enter into agreements, and then within five days the customer must visit the Bank to submit its documents. The process where an account is not only registered but also opened without ever visiting a Bank requires changes in the legislation and is currently under development. To strengthen its competitive positions, the Bank expanded the service's functionality: accounts can now be reserved in compliance with Federal Law No. 275 FZ dated December 29, 2012, On State Defense Orders.

Sberbank continues its systematic work on the development of remote customer services, having already set the objective of making all main services mobile and remote. About

¹² Hereinafter referred to as the "SME Development Corporation"; the company's name prior to the change was NDCO the Agency of Credit Guarantees.

¹³ Hereinafter referred to as the "SBBOL".

1.3 million customers are connected to the *Sberbank Business Online service*, and the mobile version of this service was downloaded by more than 427 thousand users. 98% of payments were made through Sberbank Business Online or its mobile version by the end of 2015.

31% of all payments made in the Russian Federation are made through Sberbank. In 2015, the Bank debuted 24/7 settlement services for customers. By the end of the year, the customers making electronic settlements had the option of settling accounts with counterparties on a 17/7 basis within the Bank (i.e., during the same day from 6:00 a.m. to 11:00 p.m., including week-ends and holidays). Our plans include the mass connection of customers to this service and an extension of its operating hours up to 20/7.

In early 2015, the e-document management *E-invoicing* process was launched for the Bank and its customers to better provide invoices for Bank services. By the end of the year, the share of invoices for Bank services sent to customers electronically through this service reached 85% of the total number of invoices issued by the Bank. We started this project by conducting paperless operations for corporate customers in Sberbank Offices.

Since July 1, 2015, all regional banks offer *self-cash collection services* to companies. This service allows customers to pay money into an account using self-service terminals. More than 300 thousand customers took advantage of this opportunity in the fourth quarter of 2015. As a result, the amount of receipt transactions in the Bank's branches with sums up to RUB 100 thousand shrank by more than half. Interbank settlement services will be launched in 2016, which allow customers to pay money through the self-service terminals on their Sberbank account anywhere in Russia.

In 2015, the Bank implemented an automated process of *insurance payments to depositors (individual employers)* who are customers of insolvent banks from the Deposit Insurance Agency fund. Sberbank started to take part in tenders on the selection of banks authorized to make these kinds of payments, and in early 2016 it started to make insurance compensation payments to the accounts of individual employers who are customers of insolvent banks.

In 2015, Sberbank introduced the *Currency Control Module* integrated in the Bank's settlement system. This allowed the Bank to do away with software from external organizations, optimize the processes of currency control, and cut the handling time of currency control documents by 25%. We improved services for customers in the remote banking service system and introduced the possibility for customers to fill out currency control documents online, receive statements on banking control, stay up to date on a document's handling status and possible breaches of currency legislation, etc.

To improve the efficiency of budget funds management, we reached arrangements with the *Federal Treasury Department on the start of use for Cash Management services*. 52 regional Departments of the Federal Treasury and more than 31 thousand accounts that service budget recipients were connected to this service.

Banking support services for investment contracts were introduced in regional banks. The Bank provides its customers with expenditure controls to help better comply with the guidelines of investment projects.

Bank provides to its clients the mobile application Sberbank Corporation and the mobile application *Sberbank Corporation*. Using this application, the group of company heads always has online access to the information on all of their group accounts in the Bank. The control service over the Electronic Registers of Pay Slips was launched in this system as part of the Control and Acceptance service according to the agreements on crediting monetary funds to the accounts of individuals.

We also introduced the *Payment Calendar* service, which allows customers to plan future expenses and anticipated cash inflows, including agreements with counterparties. This service can create payment calendars for future periods.

Service Quality

Sberbank continues to monitor the level of its corporate customer satisfaction and loyalty index. The index increased by 2 points to reach 67 points throughout 2015. The assessments of large and medium-sized customers saw substantial growth. The assessments of small and microbusinesses have not significantly changed. Like in 2014, the importance of certain parameters of interaction with the Bank for customers is largely determined by the difficult economic situation (in particular for small and microbusinesses):

- The significance of basic Cash and Settlement Services and their price parameters remain high as customers optimize their expenses on banking services.
- The Bank' flexibility during the consideration of loan applications is of great importance, including an individual approach to the assessment of the business, noncoverage of a loan, etc.

The "Number of requests per 1,000 active customers" index was 6.3 by the end of 2015. A certain growth of requests can be observed because of failures in ATM cash acceptance services. Following the results of an analysis of problem zones, the Bank optimizes its processes. Since the end of 2015, Sberbank has introduced the principle of "presupposed customer innocence" when handling customer requests: when the bank receives a claim, it compensates customer funds, and then considers the claim without the customer's participation. We implemented a pilot project on simplified considerations of company claims where the maximum sum of compensation was increased from RUB 600 to RUB 1,500. Circulation is planned to start in 2016.

Following the results of the pilot project for automated feedback collection from the customers of large and medium-sized businesses after the consideration of a loan transaction, we are introducing a related project that includes the handling of negative comments and immediate solutions for customer problems in all business segments.

Corporate Deposit Operations

In 2015, amid the need to replace expensive public financing with private funds, operation on raising funds from corporate customers was one of the Bank's most important lines of business.

Throughout the year, the total balances of corporate customers increased by 25.1% to reach RUB 7.4 trillion. Sberbank's share in the total amount of corporate funds raised by the Russian banking system increased over the year from 21.9% to 25.0%. The share of settlement accounts increased over the year in the total breakdown of products, from 29% to 34% of all corporate funds.

Corporate Funds Structure

RUB million	Jan 1, '16	Jan 1, '15
Current accounts/demand accounts	2,497,162	1,737,317
Term deposits	4,875,671	4,153,400
Obligations on repayment to creditor (nonbank) of the borrowed securities	55	3,126
Deposits in precious metals and other deposits	7,398	4,974
Total due to corporate customers	7,380,286	5,898,817

In 2015, Sberbank introduced a new service: the placement of cash and cash equivalents on public conditions available for the users of remote service channels or online products. Customers can also deposit their cash and cash equivalents or place them as the minimum balance on

settlement accounts on public conditions. These transactions may be settled without the customer ever visiting one of the Bank's offices. There is a loyalty system for these products, according to which customers who deposit their funds or place them as the minimum balance will repeatedly earn additional interest that is 5–10 p.p. greater than that of online rates. The functionality of this service is being extended. Today, customers have the option to withdraw their deposit before the due date, generate an order for its replenishment, prolong the agreement, and receive a text or e-mail notification on actions associated with the agreement.

5. Retail Business

Highlights of retail business in 2015:

- As of January 1, 2016, Sberbank had raised RUB 10.2 trillion due to individuals, which is a historical high for the Bank. The inflow of private funds throughout the year also broke previous records to total RUB +2.2 trillion.
- Sberbank increased the portfolio of housing loans to RUB 2.2 trillion and occupied 55% of the mortgage market. The Bank started to provide its borrowers not only with the actual loan but also with a set of services from its partners—real estate agents, insurance companies, notarial and registration authorities.
- Mobile applications Sberbank Online for Android and iPhone entered the lists of the best apps of the year in Google Play Market and App Store in Russia, being the only financial product in both ratings.
- Sberbank was awarded the prize of the Consumer Rights and Service Quality 2015 as the best customer-oriented bank of Russia.
- The noncash services underwent qualitative transformation. The Bank's quantitative achievements (millions of active card holders, thousands of self-service machines, hundreds of thousands of POS terminals in retail chains) and the best Internet Banking service in the market produced the effect of a qualitative leap forward.
- With the efforts of office consultants and based on the results of active sales, the amount of connections to online services in 2015 grew several times: by the end of the year, there were about 600,000 new connections to the online applications every month.
- The behavior of millions of Russians started to change thanks largely to Sberbank: the share of noncash operations with Sberbank cards exceeded 50% for the first time; in 2015, P2P transfers enjoyed their explosive growth—during the year Sberbank customers transferred each other RUB 2.4 trillion.
- A new model for office work – VS. 3.0 – was rolled out. The consultants are immediately solving customers' problems and selling services successfully appeared in the offices. It lowers the level of operational errors gradually and shortens the queues.

Private Customer Lending

Retail loans account for over 23% of the loan portfolio of Sberbank¹⁴. The negative trend of loan debt reduction observed in the first quarter of the reporting year was overcome in the summer. As a result, private customers received loans totaling over RUB 1,2 trillion throughout the year. The retail loan portfolio increased by 1.6% and reached RUB 4 billion. As of the end of the year, the share of both housing and consumer loans grew, and lending amounts increased. Sberbank's share in the lending market increased by 2.8 p.p. to 38.7%.

¹⁴ Here, Sberbank's loan portfolio includes loans to banks, legal entities and individuals.

Structure of the Retail Loan Portfolio

RUB million	Jan 1, '16	share (%)	Jan 1, '15	share (%)
Mortgage loans	2,174,833	52.6	1,918,240	47.1
Consumer loans, including credit cards	1,929,773	46.7	2,088,949	51.3
Car loans	30,165	0.7	62,748	1.6
Total retail loans before provisions for possible losses	4,134,771	100.0	4,069,937	100.0

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

Sberbank's Share in the Retail Lending Market:

%	Jan 1, '16	Jan 1, '15
Retail lending market	38.7	35.9
Mortgage loans market	55.0	52.9
Credit card market	33.4	29.9
Consumer lending market	33.2	32.6
Car loan market*	14.3	15.1

Data provided by Frank Research, assessed by Sberbank.

* Car loan market data indicates the total share of Sberbank and Citole Bank.

Home Loans

Home loans remained a priority product for Sberbank. Its mortgage loan portfolio increased by 13.4% during the year. Sberbank's share in the remaining debt in the home lending market increased by 2.1 p.p. and made 55.0 %.

In 2015, Sberbank participated in the State-Supported Mortgage program that covers housing facilities that are ready or in the process of construction to join the market for new homes. From March 2015, 109,000 loans for a total amount of RUB 187 billion have been provided. In addition, in the spring, a promotional event called Buying Finished Residential Property was held (0.3 p.p. discount, initial payment of 15% or more, lending period up to 8 years), lending for Rural Real Estate and Building a New House was resumed, and Nontarget Lending Secured by Real Estate was launched.

To support the borrowers of Sberbank who have mortgage loans in foreign currency, the Bank suggested individual loan conversion rates and interest rate in rubles after changing the terms of foreign currency loan.

The following Special Offer for Young Families was also utilized during the year: 0.5 p.p. discount to the base interest rate, and no markup to the interest rate for the period until mortgage is registered. During the year, 101 thousand young families made use of such loans for an overall total of RUB 153 billion.

In July and August, interest rates were reduced accordingly by 1.0 p.p. and 0.5 p.p. for all mortgage products, excluding the Military Mortgage, Publicly Supported Mortgage, and Nontargeted Loan Secured by Real Estate. After they were decreased, the interest rate range came out to be 11.4%–14.5% per annum for base mortgage products.

In 2015, Sberbank issued 11,000 loans under the Military Mortgage for a total amount of RUB 20 billion; the share of Sberbank in all loans issued came out to 34%¹⁵, and 3% of the total amount of home loans issued by Sberbank.

¹⁵ Based on data from the Federal State Public Institution Rosvoenipoteka.

At the end of the year, a promotional event called "Single Rate" was held to support sales of the Buying Completed Residential Property product. This offer included a fixed interest rate for each category of customers, regardless of the amount of the first payment, loan period, or mortgage registration period. The interest rate for customers receiving their salary on Sberbank cards was 13.45% per annum, and 13.95% for other customers subject to the application of a special condition called "Protected Loan". The decrease for certain groups of customers on promotional terms totaled 0.3 p.p.–0.55 p.p.

The development of *partnership channels* plays a big role in mortgage developments, which are vertically built into the Company and comprise several lines of business: selling mortgage products of the Bank in the territory of partner developers and real estate agencies; supporting customers with approved mortgage decisions until the loan is issued in special Mortgage Lending Centers; online services for mortgage customers and partners of the Bank.

Partners file mortgage applications and approve customers' real estate purchases through the specially designed BIB web system Partner Online. This system cuts loan application processing time from 5 to 2 days. The share of applications filed by partners in the total number of mortgage applications in Sberbank increased from 15% to 43% over the year. Over 24,000 partner developer companies and real estate agencies are active users of Partner Online.

The Bank has also launched a pilot project in Moscow and Novosibirsk to provide customers with a remote Borrower's Personal Account, where the customer can control their mortgage transactions and exchange information with partners and their Sberbank manager. Another pilot project was launched in Moscow and Novosibirsk for the online electronic registration of mortgage transactions. Now, it is possible to send out documents for registration in the mortgage lending center of Sberbank without having to visit the Federal Service for State Registration, Cadaster, and Cartography (Rosreestr).

Home lending developments can also be attributed to the new technical opportunities acquired by the Bank that allows it to simplify the lending process. Thus, pursuant to Federal Law No. 259-FZ dated July 13, 2015, the Bank requested certain sections from the Unified State Register of Rights on Real Estate and Transactions and from the State Real Estate Cadaster by accessing the information resources of Rosreestr. Such interactions with public authorities considerably simplifies the lending process for customers.

Consumer Lending

Despite a reduction in the portfolio, Consumer Loans are still a flagship product in terms of their interest income, which outstrips other retail products. In 2015, against the backdrop of deteriorating retail risks, Sberbank retained its focus on maintaining loan portfolio quality and only working with high-quality borrowers. Over the year, the consumer loan and credit card portfolio decreased by 7.6%.

Sberbank's share in the market of consumer loans has increased from 32.6% to 33.2%. The Bank resumed its acceptance of applications for the issuance of Consumer Loans for Personal Smallholding Needs. To stimulate demand, the Bank decreased interest rates for newly accepted applications by three times for Unsecured Consumer Loans, Consumer Loans Under Personal Surety, and Consumer Loans for External Loan Refinancing and by two times for Consumer Loans for Military Personnel Participating in the Savings and Mortgage System¹⁶ and for Consumer Loans for Personal Smallholding Needs. The Bank held promotional events that coincided with the school year and New Year's holidays.

¹⁶ SMS means Savings and Mortgage System.

In the first half of 2015, a new technology was implemented to obtain approval for credit applications within 15 minutes.

In October, a new procedure for issuing Trust Loans for Individual Bank Borrowers with Effective Loan Agreements was introduced in all Russian regions. This procedure includes an increase in the amount of customer refinanced loans to five, automatic verification of past-due debt on existing loans, and repayment of existing loans during the issue of a new product.

Credit Cards

Credit cards remain one of the most important elements in the Bank's line of products that is successfully used for cross sales to existing customers. Over the year, the Bank increased loans receivable under credit cards from RUB 410 billion to RUB 441 billion and strengthened its leading position in the Russian market: its share in the market for credit cards grew from 29.9% to 33.4%. The amount of active credit cards reached 15,6 million.

In 2015, the Bank increased interest rates on debt under its newly issued credit cards as it was compelled to respond to the market situation. The fee for cash withdrawal from credit cards was also increased.

In April, the Bank implemented a temporary procedure for reducing credit limits on existing credit cards that affected customers who delayed payments. New limits are being calculated on the basis of a scoring model. Starting in April, the limits were reduced by RUB 28 billion in total, which freed up RUB 3.2 billion of reserve funds for the Bank.

The Bank is now issuing credit cards without PIN envelopes: the customer sets a PIN code for their card on their own at the time of its receipt. Starting in September, Sberbank clients gained the ability to order a credit card with an approved limit at 50 ATMs where the Sirius platform had been installed; Classic cards can be picked up at the nearest office at once, and premium Gold cards, after several days.

Car Loans

Sberbank transferred B2B car loans to its affiliate bank (Cetelem). In 2015, Cetelem bank retained its leadership in the car lending segment, and Sberbank Group also retained its leadership by the size of its car loan portfolio. In spite of a contraction in the market for new cars in Russia in 2015 by 35.7%, the size of the credit portfolio of Cetelem bank remained at the previous year's levels and amounted to RUB 80 billion. Cetelem bank continued its cooperation with 23 different motor brands and concluded a number of additional agreements to strengthen itself even further.

Retail Deposit Operations

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

The amount of funds raised from individuals, including fixed-term deposits, on-call accounts and bank cards, as well as funds in precious metals, grew by RUB 2.2 trillion as of the end of 2015 and exceeded RUB 10.3 trillion as of January 1, 2016. The growth pace following the results of the reporting year (27.2%) exceeded the growth pace of private funds following the results of the previous year (4.9%). The most major growth can be attributed to fixed-term deposits in rubles. The amount of foreign currency deposits also increased in its USD equivalent. Some deposits were opened in remote channels.

Structure of Due to Individuals

RUB million	Jan 1, '16	Jan 1, '15
Current accounts/on-call accounts	1,938,386	1,561,367
Term deposits	8,282,899	6,437,685
Funds in precious metals and other funds	120,852	128,855
Total due to individuals and sole traders	10,342,137	8,127,907

Throughout 2015 and in light of the general market trend toward declining deposit rates and the existing behavior of the key rate of Bank of Russia, Sberbank decreased its interest rates on deposits in rubles and foreign currency, including rates on the savings certificates of individuals, six times.

The promotional events held for products in rubles, support for a competitive rate level on foreign currency deposits, and new deposits for wealthy customers allowed Sberbank to keep its market share in fixed-term deposits in rubles and increase its share in foreign currency deposits considerably.

Sberbank's Share in the Russian Retail Deposit Market due to Individuals

%	Jan 1, '16	Jan 1, '15
Ruble-denominated deposit market	49.6	50.1
Foreign currency-denominated deposit market	37.3	30.4
Deposit market	46.0	45.0

As of January 1, 2016, over 170,000 customers have requested the Sberbank Premier service package, and over 22,000 VIP customers use the Sberbank First service package. As part of both service packages, customers obtain premium debit cards free of charge for themselves and their loved ones, receive a Priority Pass card to access business lounges in the largest airports in the world, and have the opportunity to enjoy favorable currency exchange rates and precious metals rates as well as discounts for renting safe deposit boxes. There is a special line of deposits for each package that has an increased interest rate and increased rates for savings accounts.

For the upper mass segment, starting October 1, 2015, the Gold service package was launched to include Gold debit cards and foreign travel insurance for the whole family.

Interaction with the Pension Fund of the Russian Federation

Within the framework of agreements on the procedure of collaboration between a Sberbank Branch and a Branch of the Pension Fund of the Russian Federation¹⁷ in the delivery of pensions paid by the Pension Fund of the Russian Federation concluded at the regional level of the Russian Federation, Sberbank offers a service for pensioners and persons entitled to benefits in the form of a free certificate that states the types and amounts of pensions and other social benefits paid by the PFR to an individual account at Sberbank. These certificates can be issued in any office of Sberbank, on Sberbank Online, or at any ATM as well as other self-service terminal of the Bank. One of these certificates on the types and amount of pension allows pensioners to promptly receive detailed information on all the types of payments due them from the PFR and their totals for the period needed.

¹⁷ Hereinafter referred to as the "PFR".

The share of pensioners that receive their pension through the Bank is constantly growing. The number of Russians who entrust Sberbank to pay out their pension has reached 24,8 million persons.

	Jan 1, '16	Jan 1, '15
Number of social pensioners getting their pension through Sberbank, persons.	24,789,919	23,291,132
Share of pensioners receiving their pension through Sberbank in the total number of pensioners in the Russian Federation, % (not including pensioners in the Crimea)	59.0	56.2

Sberbank pays special attention to its operations in the Social segment. The Bank has increased the level of protection for pensioner interests as regards the safety of their deposits against the infringement of third parties. A special memo has been drawn up for branch employees to protect the savings of pensioners and disabled persons against the fraudulent actions of third parties. Now, branch employees can stop wrongdoers by taking simple actions to prevent them from taking advantage of customers' trust and compelling them to make debit transactions on their accounts.

The documentation of pension credits to accounts in the Bank has been simplified: notices of pension delivery are automatically printed out when an account is opened, which saves 15 minutes of customer time and does away with the manual, labor-intensive filling out of account details.

The Bank is working to enable pensioners to remotely file pension delivery documents through their personal account on the Unified Portal of Public Services.

Noninterest Income Sources

The following have been key drivers of noninterest income growth in retail business during the last several years: transactions with bank cards, acquiring, payments, and transfers.

Bank Cards

Number of Valid Cards Issued by Sberbank

million cards	Jan 1, '16	Jan 1, '15
Debit cards	102.3	87.3
Credit cards	15.6	14.6
Total valid Sberbank cards	117.9	101.9

The increasing issue of bank cards continues to accelerate growth in the number of operations on card accounts.

Acquiring

Share of Sberbank in the *merchant acquiring* market has grown significantly over the year, by 7.2 p.p. to 54.7%. Such a notable breakthrough became possible thanks to a restructuring of the business line: independent units of merchant acquiring have been established on the same level as regional banks. During the year, Sberbank engaged 27 new federal key partners from various segments for acquiring services, including those in the clothes, motor goods, pharmacy, electric goods, and service segments. The number of active points of sale and service attracted for acquiring services increased by 1.2 times to reach 552,000 by the end of the year.

In August, the Bank started a project with special acquiring conditions for auto dealers – for the first time ever in Russia, customers were offered a service to make car payments with a bank card. The program is currently running in 546 dealerships across the country. Thanks to this development, Sberbank has attracted 8 of the largest Russian dealerships for acquiring services.

The Bank is actively developing its *web acquiring* and has attracted 1,590 new partners over the year, thus showing growth of over five times compared to last year. The turnover of bank cards on the web totaled RUB 85 billion and grew by 1.8 times. The Bank enabled payments for airline tickets and the replenishment of Ladoshki school meals cards with bank cards using a cell phone. The total number of companies using the web acquiring service of Sberbank exceeds 2,200.

The growing business of acquiring services is accompanied by a similar growth in new *technologies* for this area. The Bank introduced a unified technical support standard for its sales and service network in all regions and started receiving communications through the 8-800 centralized support service available 24/7. As concerns the Light Cabinet, where issues are resolved within the system without using e-mail or phones, the speed of fulfillment for partner requests has increased many times over. The standardization of this service will strengthen Sberbank's competitive positions in the acquiring market and optimize its technical support costs.

The Bank continues to develop noncash payment methods for public transport. A pilot project implemented at the Kotelniki metro station in Moscow for the acceptance of proximity bank cards at turnstiles has been extended to four more stations, where registers and ticket vending machines are also supplied with acquiring equipment, and passengers can pay for their travel tickets using their bank cards.

Debit Cards

In 2015, Sberbank extended the range of possibilities for customers with debit cards. The Bank has started issuing international bank cards with an integrated Troika travel ticket. Apart from the usual functionality of a Sberbank debit card, this new card can be used to pay for rides on the transport systems of Moscow.

The Bank has launched a new service where the holders of Sberbank debit cards can make transfers from their cards to any Visa cards from other Russian banks via Sberbank Online, ATMs, and mobile applications.

Starting in July, the Sberbank website has offered the option of ordering a card with photos from one's own Instagram. In the future, the Bank is planning to further enhance its integration with social networks.

In 2015, over 90 projects were completed for the issue of Individual Design Cards for clients to send out salary payments, including 44 projects with higher educational institutions. Over 370,000 customers will receive these salary cards with individual designs, which makes Sberbank's salary projects even more attractive.

All throughout Russia *salary* is paid to the employees of companies according to a procedure perfectly suited to the end recipients: the companies submit a register of payouts to its employees via Sberbank Business Online, the Bank pays salaries to employee cards online, and the payment information becomes immediately available to the company. This process has been well automated, and the probability of operational errors has been eliminated.

The Bank has successfully implemented a new technology for salary payments to employees of federal companies with branches in different cities and regions of the country. Based on the unified register with the list of company employees who have accounts in different branches of Sberbank and the amount of salary due to them, the Bank will transfer money from the company's settlement account to the salary accounts of its employees on its own.

Sberbank is optimizing its card processes. According to a new technology for individual conversion transactions, conversion between Sberbank cards and from bank cards to an account is completed immediately at the exchange rate posted at the moment of transaction. This eliminates the occurrence of currency risks and customer complaints.

Services for the processing of MasterCard and VISA operations have been fully transferred over to the National System of Payment Cards.

In April, Sberbank started its Moneybox (Kopilka) service as part of Sberbank Online, which is a service for the automatic transfer of customer money from their debit card to their deposit account on the conditions set forth by the customer. This service is very popular: there were 150 connections this year.

Payments and Money Transfers

2015 showed growth in payments made by individuals to legal entities: the average number of payments increased by 17% and reached 13 million a day. This growth was observed in all kinds of payments. The number of payments for utility services totaled 2.8 million transactions per day (+20%), and for cellular communications, 8.2 million per day (+18%). Stable growth in payments has allowed Sberbank to strengthen its leadership in the market of payments for utility services with a share of 39%. Sberbank is also the leader in the market of cellular communication payments, with a share exceeding 44%. This result was achieved by the active development of noncash payments via Autopayment, Mobile Bank, and Sberbank Online.

The amount of subscriptions to the Autopayment service totals 31.4 million. Autopayment for utility services is available in more than 100 Russian cities. In 2015, the active promotion of noncash payments at the cash desk was started, and the share of payments received in the cash desk using cards reached 7%. The share of payments received using bar codes made up 81% of all receipts.

The total amount of transfers throughout 2015 exceeded RUB 9 trillion, which is 1.5 times more than in the previous year.

Insurance and Wealth Management

The year 2015 brought Sberbank a number of considerable results in the wealth business despite negative trends. Over the year, the number of customers grew from 7.5 million to 13.2 million, and the amount of assets controlled by the Group increased from RUB 221 billion to RUB 450 billion. In 2015, the Bank sold over 9.5 million wealth products for individuals within its chain (insurance, pension, and investment products), and 137,000 insurance policies were issued to corporate customers.

Sberbank Life Insurance once again proved its leadership in the life insurance market with a 34% share. The total volume of insurance charges amounted to RUB 44 billion. By the end of 2015, the total number of the company's customers exceeded 5 million. The company introduced a number of product innovations for VIP customers to the market, including the Investment Product with annuity payments and the International Health Insurance product. In addition, during the reporting year, the Company paid special attention to its customer service

quality, and as a result it won the prize of Best Contact Center in the insurance market, including life and nonlife insurance companies. Bank of Russia included Sberbank Life Insurance in its list of systemically important insurance institutions.

In 2015, the Private Pension Fund of Sberbank received the pension savings of 2,000,000 customers. Sberbank PPF became the leader in the market of mandatory pension insurance according to the number of customers and amount of assets; the assets of the fund total RUB 260 billion. As of the end of the year, the savings of another 1.4 million persons are set to be transferred to the Sberbank PPF. Over 4 million Russian citizens have become customers of the Sberbank Private Pension Fund.

Sberbank Insurance is the quickest growing company in the Russian insurance market. The company's charges amounted to RUB 3.7 billion, 75% of which are related to noncredit insurance; in addition, over 30 products were debuted. Over 1.5 million persons all over Russia became customers of the Company. In the first year of its active development, the Company entered the list of the top 10 insurers of Russia for private property insurance and in the top 15 based on online sales in Russia. During the year, the Company therefore jumped from 119th place to 34th place for total charges and held 13th place for the number of insurance policies sold.

Sberbank Insurance Broker also became a leader in growth. It is important to mention that in the first year of its operations on the market the company turned a profit, and following the results of 12 months it showed stable growth in its income and in the number of customers. As of the end of 2015, the company's net profit amounted to RUB 108 million, and 15% of its customers were market customers attracted from outside the company.

Sberbank Asset Management strengthened its leadership in the market of open PIF: its market share exceeded 25%. The Company took 1st place in terms of revenue among all management companies and showed high results for its investment fund management: flagship funds of shares (OPIF Active Management Fund: +42%), bonds (OPIF Ilya Muromets: +35%), and mixed investment (OPIF Sbalansirovanny [Balanced]: +38%) took the leading places among the competitors as of year-end.

A special depository entered the list of top 2015 leaders in the market of depository services on mortgage bonds following the results of 2015.

In 2015, a project with a unique reach for the Russian insurance market started being implemented, and 8,000 branches of Sberbank turned into points for the receipt of applications for the settlement of losses suffered by Bank customers.

In 2015, the **Sberbank Depository** was also announced as the leader of the Russian market of depository services, entered the list of best depositories of developing markets, and received the Category Outperformer, Market Outperformer, and Global Outperformer awards. Sberbank Depository maintains 443 custody accounts. The market value of customer assets under custody in 2015 grew from RUB 3.5 trillion to RUB 4.3 trillion. During the reporting year, the Bank started providing custody services for individual investment custody accounts. As of January 1, 2016, 49,200 accounts of this type have been opened.

The Bank has also started to provide the services of a special depository for insurance companies. Contracts have been concluded with 25 insurance companies, and the cumulative value of assets under control amounts to RUB 238 billion.

The Bank improved its spaces for storing securities, which allowed preventing the reservation of RUB 21.2 billion invested in Sberbank as securities.

The international bank issuing depository receipts carried out its annual online attestation of the Depository as the custodian of Russian shares securing the issue and circulation of ADR/GDR in Western markets.

The Bank implemented the daily charge of a depository fee for changes in the securities balance on trading sections from personal investor brokerage accounts, including investors using unsecured transaction settlement services.

The rules and forms for the identification of Depository customers (legal entities and credit institutions) for FATCA purposes have been put into effect.

Development of Remote Customer Service Channels

Sberbank continues to improve its remote service channels. Throughout the year, Sberbank's self-service terminal network has decreased by four thousand units to 52,000 ATMs with cash disbursement options and 34,000 with no cash disbursement option¹⁸. Sberbank expanded its network of self-service terminals based on new software aimed at creating a single environment for customer transactions. These self-service units (over 53,000) allow customers to track their transactions in Sberbank Online and print out their payment invoices and repeat payments under any pre-existing online templates. Throughout the year, the technical availability of these units for customers increased from 93.2% to 95.1%, and the share of inefficient self-service devices fell from 14.7% to 2.7%.

The number of active users of Sberbank Online increased from 17.9 million to 24.6 million.

Sberbank released a new updated version of Sberbank Online for Android that is wholly unique in the global market. This version has integrated protection with antivirus software that protects both the application and user telephones. This has enabled the Bank to offer customers new payment and transfer services. The most major changes affected the design structure itself are built on the Material Design principle: 3D surfaces and realistic touch-screen animation. Based on Google's design concept, Sberbank offered the graphic style customary to Android users.

The Sberbank Online mobile app for iPhones ranks first in usability for mobile iPhone bank app ratings published by UsabilityLab.

The bank updated its Sberbank Online apps for all platforms, including iOS, Android, and WinPhone. Now users no longer need ATMs or an online banking site to register their apps, it is enough to simply enter the card number and confirm registration with the received SMS code. A new version of this mobile apps allows for prompt cash transfers both to other Sberbank customers and Visa and MasterCard holders from other Russian banks. Instant transfers require only payee's card number. The Expense Analysis service lets users create individual categories so they can later transfer over completed transactions, giving them better control over their daily expenses.

The number of active users of the Sberbank Online mobile app has reached 10.5 million. Payments made through mobile apps increased 3.7 times and averaged 24.3 million transactions per month. Cash transfers increased 4.7 times to average 20.9 million transactions per month. Connections to the Mobile Bank SMS service reached 89.2 million; active users exceeded 26.8 million.

¹⁸ Subject to Federal Law 54-FZ On the Use of Cash Register Equipment for Cash and/or Payment Card Payments, all Sberbank payment terminals are deemed to be ATMs.

New Service Model for ISU

In the second half of 2015, Sberbank rolled out ISU 3.0, a core project for the restructuring of retail office operations. This new model has substantially modified the operating principle based on the Intelligent Management System¹⁹. This automated system is based on the consolidation and analysis of big data collected from 10 different systems of the Bank. The IMS can identify deviations at all management levels down to every individual office employee, and it makes targeted tasks for managers to remedy these deviations. Thus, front-line managers are freed from doing any individual analytical work related to collecting reports and looking for deviations. Currently, IMS has 13.4 thousand active users and makes 1.3 million targeted tasks to ISU managers monthly. The scope of IMS tasks includes deviations on 29 performance indicators, knowledge of bank products, conversion of customer flows into bank products, fraud elimination, and helping new users adapt to the available systems.

In 2015, managers focused on sales management, mentorship duties, and customer relations. This model enhanced office operating quality as the appointed deputy ISU managers now have much more of a focus on cash management services, risk prevention, and claim processing. It also allowed the bank to release 6,000 ISU staff members and 1,380 managers and cut the Bank's costs by RUB 4.6 billion per year.

For the most efficient preclaim settlement of customer issues, 700 business office²⁰ have appointed service managers. These managers settle 85% of issues on the spot, the bulk of them being solved at the time of the customer's request. Other issues are referred to Claim Settlement Services.

Sales managers have improved their performance. The number of daily products per manager has increased from 8.5 to 11.3 units over the year.

The ISU advisory services are also growing successfully. For example, comprehensive sales for remote service customers were launched in late 2015. Gross product sales through consultants increased by 21% in December compared with October.

The new model is focused on shifting the perception of the office environment for both employees and customers. This is an integral indicator of the change in Sberbank's corporate climate. For staff members, these changes also mean that they now take on a share of the now open and vacant positions, which increase their workload, overtime, service rates, compliance with performance indicators, and the number of errors that affect employee salaries. For customers, this means changes in the number of transformed offices, available operating windows, e-lines, and convenient working hours. The atmosphere in business units is being estimated, tasks are being assigned to remedy deviations.

The personnel turnover rate in branches decreased by 21% in 2015, and the personnel engagement rate increased from 68% to 75%. In comparison, the best engagement indicator for global financial companies is 78%.

¹⁹ Hereinafter referred to as the "ISU".

²⁰ The largest offices, accounting for 60% of all customer requests, are registered with the ISU.

Retail Sales Model

In the first half of 2015, the Bank focused its active sales on promoting commission-free products and fundraising. In 2015, over 154 million communications were made to offer deposits and savings certificates. Additional growth in funding raised through active sales campaigns totaled RUB 100 billion.

The aggressive promotion of credit products started up again in the second half of the year. At the same time, the Bank pursued a mass personalization of active sales. The Bank issued an additional RUB 99 billion in loans due to consumer loan campaigns that found new life in June. Active sales resulted in the issue of an additional 556 credit cards. The first 500,000 customers were e-mailed personal video offers for Sberbank credit cards in June.

Text service feedback reached 15% through the use of various behavior models: there were 1.3 million auto payments for mobile communications and 50,000 new utility service payments.

The biggest development included individual pricing patterns under consumer loan campaigns launched in August. Each customer is assigned an individual interest rate that is deemed to be the best for that particular customer.

The Bank also launched Viber, a new message communication channel. The welcome newsletter with a link to Sberbank's promotional webpage showed that 12 million people were registered Viber clients. The new communications model provides for cost reductions five times over compared with text services and the delivery of graphic and video content to customers.

The Bank increased its active²¹ customers by 5.8% to 79.7 million in 2015. Through the use of the customer database, the number of products per customer increased from 2.33 to 2.62 over the year. This shows that customers are increasingly selecting Sberbank as their "main" Bank.

Service Quality

Sberbank continues to assess its key customer experience metrics for the prompt monitoring and continuous improvement of customer satisfaction:

- The NPS²² is when customers are asked to assess their willingness to recommend Sberbank to their friends based on their previous relations with the Bank. The current NPS rate of Sberbank is 55%.
- The CSI²³ is when the Bank asks customers to assess their satisfaction with service quality immediately after a product sale, the settlement of any issues with the branch, a call to Sberbank's contact center or while receiving responses to their requests. The Bank received over 960,000 responses from customers throughout the year. All of the low ratings that were assigned have been reviewed and all customer issues have been settled.

The Bank conducted research on customer satisfaction with 7 different product processes. Based on customer opinions, the Bank prepared guidelines to change 84 of its processes.

Handling customer requests remains a key priority for the Bank. Over 700 service managers work in Bank offices that help customers settle their issues "here and now".

²¹ Active customers are those who have used bank products within the previous three months.

²² The NPS (Net Promoter Score) shows customer willingness to recommend Sberbank to their friends and is the key customer loyalty indicator in global practice.

²³ The CSI (Customer Satisfaction Index) shows customer satisfaction on the parameter list for points of contact. Key diagnostics question: Are you satisfied with today's visit to the bank?

The Customer Care Center was established to streamline the handling of requests and also set up an expert team. The main benefit of the Center is the ongoing and prompt identification of core reasons for customer issues and their reference to core subdivisions.

The Center handles important issues involving the Bank's top management through social media as well on a case-by-case basis and throughout the year settled 150 major issues.

The Pulse system searches online for comments about Sberbank unit operations.²⁴ 37,000 comments have been identified, with 1,500 complaints related to the Bank's services. All negative comments have been reviewed and given feedback.

My Customer, a new service for staff members, is now operating in the pilot mode. If an employee becomes aware of a customer's problem from their friends or family members, they may refer this information to the relevant subdivision to resolve whatever problem there was.

Smart Box, a new technology that handles bank cards, is a good example of when negative customer experiences helped the Bank address a problem and find its process solution. The ISU has special containers to store cards and electronic accounts pending files that record the cards stored in such containers. This technology reduces the card issue time by half and labor costs of dealing with the cards two times.

Another example is the project that will enable notarized powers of attorney to be verified in real time when a customer applies to the Bank, which is set to launch in the first quarter of 2016.

Sberbank is implementing the Paperless Front Office project across the regions: over 70% of deposits, money transfers, and savings certificate transactions will go paperless. In 2015, 90 million documents have been signed electronically to save over 7,245 trees. The Paperless Front Office initiative allows the Bank to avoid operating errors, verify documents at the end of the banking day, and cut paper consumption by 15% and paper storage spaces by 20%.

Sberbank continues to work on reducing the time spent waiting in lines. In 2015, throughout 6,481 of the Bank's offices, the time customers spent waiting in lines was measured automatically using the line management system. In 2015, the waiting time of 95% of Bank customers did not exceed the established standard time (10 minutes during normal operating hours and 14 minutes during peak hours). This figure can be seen in 97% of all offices equipped with the line management system.

Unified Distributed Contact Center²⁵

The Bank's DUCK development priorities remain the same: leadership in customer satisfaction, an expanded service range, and increased efficiency.

The waiting time for an operator's response has been kept short at just 31 seconds in 2015 and 34 seconds in 2014. The Contact Center's service satisfaction level also remained unchanged from its previous level of 80%. Customer requests increased by 22% from the previous year to 95 million calls.

Subscribers of Beeline, MTS, and Megafon have a free call option to Sberbank's Contact Center by dialing 900 in the home network.

²⁴ The Bank searches four social media outlets: Foursquare, Instagram, VKontakte, and Flamp.

²⁵ Hereinafter referred to as the "UDCC".

A new service called Client Code became available for the Bank's customers. Using this code in the automated system, customers can obtain information about their balance and last five operations, receive a Sberbank Online identifier, and block their cards.

Samara opened a new sixth UDCC platform. Currently, the Bank opened 200 new jobs with 730 target placement.

A new motivation system was introduced to increase employee engagement. Omsk has completed its project to improve the labor conditions of Contact Center employees; their satisfaction with the new office space increased by 11 p.p. to reach 96%, and the outflow of employees decreased by 9 p.p. to 36%.

In March 2015, Call Center World Forum hosted the Crystal Headset Award Ceremony, the key event in the call center section. UDCC Sberbank won in three categories: Para operator of the Year, Best Monitoring Team, and Best Small Team.

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

Financial Assets Carried at Fair Value through Profit or Loss

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Russian Government Bonds	–	4,816
Bonds of subjects of the Russian Federation	22	458
Bonds and Eurobonds of the banks	37,251	62,388
Corporate bonds	18,004	41,490
Eurobonds issued by foreign governments	153	124
Shares	–	56,559
Derivative financial instruments	350,548	659,853
Financial assets carried at fair value through profit or loss, total	405,978	825,688

Net Investments in Securities and Other Financial Assets Available for Sale:

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Russian Government Bonds	983,770	796,023
Bonds of subjects of the Russian Federation	45,092	45,878
Bonds and Eurobonds of the banks	286,586	43,638
Corporate bonds	441,990	442,729
Eurobonds issued by foreign governments	403	349
Shares	21,755	30,989
Investments in subsidiaries and dependent entities	536,732	385,839
Other equity participation	29	45
Net investments in securities and other financial assets available for sale, total	2,316,280	1,745,490

Net Investments in Securities Held to Maturity

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Russian Government Bonds	188,329	187,906
Bonds of subjects of the Russian Federation	23,252	39,883
Corporate bonds	224,891	138,685
Net investments in securities held to maturity, total	436,472	366,474

In 2015, the Bank's securities portfolio increased by RUB 221 billion. The most major changes affected the portfolio of securities available for sale. This portfolio added RUB 571 billion as a result of:

- The purchase of sovereign bonds and Eurobonds to increase high-quality liquid assets to manage the short-term liquidity ratio introduced on January 1, 2016
- The positive currency revaluation of previously acquired Eurobonds
- The acquisition of ECP/CD from foreign banks with ratings exceeding 'A' and less than 6 months' maturity to deposit the surplus currency liquidity
- Investment growth from an increase in the capital of subsidiaries.

7. Risk Management

Integrated Risk Management of the Group

The risk management system is part of the Group's general management system that is focused on ensuring sustainable development under the Development Strategy approved by the Supervisory Board of the Bank. The Group's²⁶ risk management system complies with Bank of Russia's requirements and regulations of the Russian Federation taking into account the recommendations of the Basel Committee on Banking Supervision.

The Group recognizes the following material risks: credit risks of corporate and retail customers, country risk, financial institution credit risks, market risks of financial market transactions, ALM risks, loss risks due to changes in real estate value, operating risk, liquidity risk, compliance risk, tax risk, strategic risk, regulatory risk, model risk, and reputation risk.

The Group annually identifies risks and assesses their materiality, and a management system is formed for each recognized material risk. The management functions for all significant risks are spread among the Bank's various committees. Risk management on an integrated level is performed by the GRC, the Executive Board and the Supervisory Board of the Bank.

The Group is currently implementing a project for the development of risk culture. This project is aimed at shaping employee behavior when they openly discuss and respond to any existing and potential risks and at generating an internal mental intolerance toward ignoring or silencing risks and the risk behavior of other people. Risk culture supplements the formal existing mechanisms and makes up an integral part of the integrated risk management system. The Group pays special attention to employee behavior as a practical demonstration of risk culture.

Credit Risks

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

Counterparty risk in financial market operations is a risk associated with the counterparty's unwillingness or inability to perform liabilities under a transaction completely and in a timely manner.

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

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

General Description of Credit Risk Management

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

²⁶ A risk management system has been implemented across the Group, and as long as Sberbank is the parent company of the Group, certain information on risk management is disclosed in relation to the Group.

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

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

The Group applies the *following methods* of credit risk management:

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

Credit risk is evaluated for the Bank in general and for individual portfolios of assets in terms of individual counterparties, countries, regions, and industries. The assessment is based on statistical models of credit risk quantification.

The Bank has *created a unified system of internal ratings* based on economic and mathematical models for evaluating risk parameters. Models are reviewed periodically based on historical data.

In 2015, Sberbank was the first bank in the Russian Federation to apply to Bank of Russia to use its internal ratings to assess credit risk for the purpose of calculating capital adequacy standards.

In 2016, the Bank will continue to develop its internal risk assessment models by using elements of artificial intelligence, including self-learning scoring models and automated adaptation to new situations in real time.

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

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

Risk limitation and the control of expected losses due to the default of the counterparty is provided through a *system of limitations* for transactions involving credit risk. The scope of the limit is determined by the level of the counterparty's risk dependent on the borrower's financial position and other factors, such as external influence, management quality, assessment of business reputation. Country limits are subject to specific qualification.

To improve the quality of its loan portfolio, the Bank developed and approved sectoral strategies in 2015.

Proceeding from the principles of caution and the balance of probabilities and in order to cover the losses expected from a realization of credit risk for assets exposed to credit risk, the Bank and the Group as a whole have created *provisions for possible losses from loans and other possible losses*. These provisions are created in accordance with the requirements of Bank of Russia, Bank Regulators, International Financial Reporting Standards, and the internal regulations of the Bank and the Group as a whole that provide for a regular monetary evaluation of credit risk (the losses expected in case credit risk is realized) taking into account the internal credit risks of counterparties.

To ensure the proper adequacy of procedures for evaluating the credit risk level, determining the amount of provisions for possible losses from loans, and lowering the material and labor costs when classifying the total loans granted by the Bank and the Group as a whole, similar loans are classified as portfolios of similar loans; the provisions for such similar loans are created without seeking separate professional judgment on the credit risk level for each individual loan.

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

The main tool for reducing credit risk is collateral. The need to accept collateral and the volume of accepted collateral depends on the risk of the borrower/transaction and is fixed in terms of loan products.

To hedge credit risks, the Bank has developed and implemented its pledge policy defining the basic principles and elements of dealing with collateral in lending. The Collateral Policy is aimed at enhancing the quality of the credit portfolio as regards collateral security. The collateral quality is determined by the probability of receiving cash and cash equivalents in the amount of the expected collateral value when enforcing upon the collateral or its sale. The collateral quality is indirectly characterized by the list and materiality of risks associated with the collateral and is determined by a number of factors: liquidity, accuracy of determining value, risk of depreciation, exposure to risks of loss and damage, legal risks, etc.

Collateral value is appraised based on an internal expert appraisal by the Bank's professionals, an appraisal by independent appraisers, or based on the cost of the collateral item in the borrower's accounting reporting, with discount applied. Guarantees for financially reliable legal entities as securities also require evaluation of risks of both the guarantor and the borrower. The Bank performs regular monitoring of pledged assets to ensure control over quantitative, qualitative, and cost parameters of the pledged assets, their legal affiliation, and conditions of storage and upkeep. Frequency of monitoring is defined by requirements of Bank of Russia regulations, conditions of credit product issuance, type of collateral.

The existing systems of limits and authorities optimizes the credit process and duly manages all credit risk. A risk profile that determines authority for decision making based on the risk *category of the application is assigned to each territorial subdivision/Group bank*. In turn, the application category depends on the borrower's risk, the aggregate limit on the borrower/group of related borrowers, and the transaction risk.

In 2016, the Bank plans to optimize decision making regarding corporate customers and CIB customers, including building systems that enable certain categories of customers to make their decision within one day in real time.

As concerns the management of troubled debt, in 2015, the Bank introduced behavior scoring in the procedure for the remote collection of overdue individual loan debts. In 2016, the Bank

plans to introduce the unified centralized retail collection system, which covers the entire range of troubled debt settlement tools, including remote, contact, and outsourcing ones.

Overdue Receivables

RUB million	Jan 1, '16				
	Total	up to 30 days	from 31 to 90 days	from 91 to 180 days	over 180 days
Legal entities	567,974	121,172	80,158	78,615	288,030
Individuals	303,386	79,961	35,626	26,123	161,676
Credit institutions	64	64	-	-	-
Total overdue debt	871,424	201,196	115,784	104,737	449,706

RUB million	Jan 1, '15				
	Total	up to 30 days	from 31 to 90 days	from 91 to 180 days	over 180 days
Legal entities	442,218	161,815	60,619	23,867	195,917
Individuals	253,007	87,228	37,128	28,640	100,011
Credit institutions	5,315	5,315	-	-	-
Total overdue debt	700,540	254,358	97,747	52,507	295,929

Restructured Loans

As of January 1, 2016, the amount of restructured corporate loans amounts to RUB 2,907.5 billion, and their share in the corporate credit portfolio is 12.8% (as of January 1, 2015, RUB 2,212.0 billion and 10.2%, respectively). Restructuring means such alteration of the original material terms and conditions of the loan agreement made with the debtor for its benefit not provided for by the original material terms and conditions of the loan agreement.

As of January 1, 2016, the amount of restructured loans to individuals in the credit portfolio amounted to RUB 149.2 billion, and their share in assets was 0.7% (as of January 1, 2015, RUB 72.5 billion and 0.3%, respectively). The standard restructuring options provide for an increase in the period of using the loan, change in the loan repayment procedure, full or partial waiver of penalties, and change in the currency of the loan.

Level of Concentration of Major Credit Risks

The Bank pays close attention to controlling the level of concentration of major credit risks. Pursuant to its internal regulatory documents, the Bank conducts daily monitoring of major credit risks and projection of compliance with the requirements imposed by Bank of Russia for the standards²⁷ RI (maximum exposure per borrower or group of affiliated borrowers) and R7 (limit on major credit risks). For these purposes, the List of Major and Related Borrowers of the Bank is maintained and monitored.

²⁷ Bank of Russia Instruction No. 139-I dated December 3, 2012, On Obligatory Ratios of the Banks (as revised on October 25, 2013).

The share of loans of the 20 largest borrowers (groups of borrowers)²⁸ for 2015 changed from 24.5% to 27.8% of the customer loan portfolio. The Bank's major borrowers come from various sectors of the economy; therefore, the credit risk is adequately diversified.

Detailed information about the structure of loan indebtedness of the Bank and its quality is given in an explanation that is part of the 2015 annual financial statements of Sberbank prepared in accordance with the requirements of Bank of Russia and posted on Sberbank's website at www.sberbank.com.

Liquidity Risk

Liquidity risk management helps secure the Bank's capability to perform its liabilities to clients and contractors unconditionally and in due time in compliance with the regulations of Bank of Russia concerning the management of liquidity risk either in normal business conditions or in crisis situations. The key document that governs liquidity risk management is Sberbank's Liquidity Risk Management Policy. In the process of managing liquidity risk, the Bank differentiates the risks of normative, physical, and structural liquidity.

Regulatory liquidity risk includes the violation of regulatory limits for obligatory liquidity ratios set by Bank of Russia (R2, R3, R4, or RLQ). To manage regulatory liquidity risk, the Bank carries out a weekly monitoring and forecast of mandatory liquidity standards for various time horizons. In addition, Sberbank has established a system of limits for the values of statutory liquidity ratios that ensures compliance with the restrictions set by Bank of Russia both on the reporting and on the monthly dates taking into account possible fluctuations of certain balance sheet items.

Physical liquidity risk means the Bank's inability to fulfill its obligations to contractors in any currency due to a lack of funds: impossibility to effect a payment, issue a loan, etc. The instruments of physical liquidity risk management in the short-term include a cash flow prediction model broken down by principal currencies and control over accessible bank liquidity reserves. To cover a possible liquidity shortage in excess of available funds, the Bank can tap into liquidity provisions that include direct repo transactions with Bank of Russia, the Federal Treasury, and market counterparties secured by securities, Federal Treasury deposits, currency swaps, and precious metal swaps; and borrowings from Bank of Russia secured by nonmarket assets and the guarantees of credit institutions.

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

The approach to liquidity management in 2015 was largely determined by the existing macroeconomic situation and the state of the Russian financial sector (sanctions imposed on However, with its flexible interest-rate policy and effective management of the assets and liabilities base, in 2015, the Bank managed to reduce the amount of funds loaned from Bank of Russia and the federal budget by RUB 3.0 trillion down to RUB 0.8 trillion mainly by attracting funds from customers as part of the optimization of cash balance management. As of January 1, 2016, the Bank maintains ruble and foreign currency reserves at an adequate level to respond to a worsened liquidity situation.

²⁸This indicator is calculated as follows: loan debt of the 20 largest borrowing companies (groups of companies) refers to the remainder of the loan portfolio of legal entities and individuals; both the numerator and denominator include fixed-term, overdue debt, and cession agreements; the debt of the 20 largest companies includes the debt of Sberbank's subsidiaries, while the debt of banks is ignored.

In 2015, Bank of Russia announced the establishment of the short-term liquidity ratio (Basel III, STLR, R26) as a prudential ratio starting January 1, 2016. The minimum admissible ratio in 2016 stands at 70 %, with another 10 % annual increase until reaching 100 % starting January 1, 2019. The ratio on Sberbank shall be calculated at the level of Sberbank Group. Sberbank's business plan requires strict compliance with liquidity standards throughout 2016.

As of January 1, 2016, Sberbank more than complies with the mandatory liquidity standard limits established by Bank of Russia.

Compliance with Liquidity Requirements

Liquidity requirements	Limit set by Bank of Russia	The cap established by Sberbank	Limit as of the reporting date (%)	
			Jan 1, '16	Jan 1, '15
R2	more than 15 %	20 %	116.4	74.3
R3	over 50 %	55 %	154.4	66.4
R4	less than 120 %	115 %	65.5	111.2

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

Securities carried at fair value through profit or loss and the most liquid share of securities available for sale are considered liquid assets as they can easily be converted into cash within a short period of time. Such assets are placed in the table below in the category "On demand and less than 1 month". Assets with overdue repayment periods are categorized as "nonidentified" in terms of actually overdue payment.

The level of liquidity for the assets and liabilities of the Bank as of January 1, 2016

RUB million	on demand and less than 1 month	from 1 to 6 months	from 6 months up to 1 year	from 1 year to 3 years	over 3 years	no stated maturity	Total
Assets							
Cash and cash equivalents	732,790	–	–	–	–	–	732,790
Due of credit institutions held with the Central Bank of the Russian Federation	513,604	31,158	20,092	14,695	7,136	–	586,685
including obligatory reserves	45,282	31,158	20,092	14,695	7,136	–	118,363
Funds held by credit institutions	355,985	–	–	–	–	–	355,985
Financial assets carried at fair value through profit or loss	77,265	48,632	150,518	84,830	44,733	–	405,978
Loan debt before provisions for possible losses	1,669,910	1,723,484	2,091,521	5,508,682	6,341,211	545,815	17,880,623
Net investments in securities and other financial assets available for sale	1,779,625	–	–	–	–	536,732	2 316,357
including investments in subsidiaries and dependent entities	–	–	–	–	–	536,732	536,732
Net investments in securities held to maturity	–	8,324	21,050	192,695	214,403	–	436,472
Current tax receivables	–	–	–	19,774	–	–	19,774

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months up to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
Deferred tax asset	–	–	–	–	–	–	–
Fixed assets, intangible assets and inventories	–	–	–	–	–	477,355	477,355
Other assets	376,458	16,976	14,967	37,729	39,053	20,533	505,716
Total assets	5,505,637	1,828,574	2,298,148	5,858,405	6,646,536	1,580,435	23,717,735
Liabilities							
Loans, deposits and other funds of the Central Bank of the Russian Federation	0	3,858	3,117	262,014	500,000	–	768,989
Due to credit institutions	359,992	113,824	59,296	61,815	23,437	–	618,364
Due to customers other than credit institutions	6,915,294	4,537,041	2,938,836	2,244,211	1,087,041	–	17,722,423
including due to individuals	3,026,901	3,491,483	2,265,144	1,241,635	196,122	–	10,22,285
Financial liabilities carried at fair value through profit or loss	11,005	57,564	61,109	48,776	49,713	–	228,167
Debt securities in issue	112,685	298,717	179,399	36,424	20,469	–	647,694
Current tax liabilities	–	–	–	5,404	–	–	5,404
Deferred tax liability	–	–	–	–	–	93,348	93,348
Other liabilities	235,896	12,812	5,035	56	9	2,759	256,567
Total liabilities	7,634,872	5,023,816	3,246,792	2,658,700	1,680,669	96,107	20,340,956
Net liquidity gap	–2,129,235	–3,195,242	–948,461	3,199,705	4,965,867	1,484,328	3,376,779
Aggregate liquidity gap	–2,129,235	–5,324,477	–6,273,121	–3,073,416	1,892,451	3,376,779	

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

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months up to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
Assets							
Cash and cash equivalents	1,240,712	–	–	–	–	–	1,240,712
Due of credit institutions held with the Central Bank of the Russian Federation	278,834	31,697	24,510	23,773	10,862	–	369,676
including obligatory reserves	51,680	31,697	24,510	23,773	10,862	–	142,522
Funds held by credit institutions	356,487	–	–	–	–	–	356,487
Financial assets carried at fair value through profit or loss	190,623	125,670	248,291	202,254	58,850	–	825,688
Loan debt before provisions for possible losses	1,271,259	1,614,720	2,209,632	4,768,733	6,507,410	318,829	16,690,583

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months up to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
Net investments in securities and other financial assets available for sale	1,359,651	–	–	–	–	385,839	1,745,490
including investments in subsidiaries and dependent entities	–	–	–	–	–	385,839	385,839
Net investments in securities held to maturity	–	13,881	5,968	124,935	221,690	–	366,474
Current tax receivables	–	–	–	67,058	–	–	67,058
Deferred tax asset	–	–	–	–	–	–	–
Fixed assets, intangible assets and inventories	–	–	–	–	–	478,612	478,612
Other assets	274,724	14,914	31,194	26,654	31,916	27,782	407,184
Total assets	4,972,290	1,800,882	2,519,595	5,213,407	6,830,728	1,211,062	22,547,964
Liabilities							
Loans, deposits, and other funds of the Central Bank of the Russian Federation	1,495,736	1,278,229	237,300	4,553	500,000	–	3,515,818
Due to credit institutions	345,757	124,756	172,397	131,793	20,153	–	794,856
Due to customers other than credit institutions	5,203,047	3,059,655	2,322,268	2,359,620	1,082,134	–	14,026,724
including due to individuals	2,139,953	2,023,850	1,964,300	1,653,677	217,272	–	7,999,052
Financial liabilities carried at fair value through profit or loss	51,702	190,454	239,642	93,628	42,518	–	617,944
Debt securities in issue	69,407	174,063	178,257	65,685	25,990	–	513,402
Current tax liabilities	–	2	–	–	–	–	2
Deferred tax liability	–	–	–	–	–	42,891	42,891
Other liabilities	194,506	15,028	4,213	2,499	7	–	216,253
Total liabilities	7,360,155	4,842,187	3,154,077	2,657,778	1,670,802	42,891	19,727,890
Net liquidity gap	–2,387,865	–3,041,305	–634,482	2,555,629	5,159,926	1,168,171	2,820,074
Aggregate liquidity gap	–2,387,865	–5,429,170	–6,063,652	–3,508,023	1,651,903	2,820,074	

In 2015, there was a decrease in the liquidity gap up to 6 months caused by a reduction in the amount of funds raised from Bank of Russia under direct repo transactions and Bank of Russia Regulation No. 312-P. The maturity of these operations for the most part does not exceed 6 months. This decrease was offset by attracting customer funds for various periods and selling cash. It is also worth noting that the liquidity gap at the horizon of more than 3 years has increased mostly due to the reduction of maturities for remaining loan debts.

Country Risk

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

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

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

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

Country Concentration of the Bank's Assets and Liabilities:

	Jan 1, '16				
RUB million	Russia	CIS	Countries from the Group of developed countries ²⁹	Other countries	Total
Assets					
1. Cash and cash equivalents	732,790	–	–	–	732,790
2. Due from credit institutions in Bank of Russia	586,685	–	–	–	586,685
3. Due from credit institutions	7,356	514	328,626	19,489	355,985
4. Financial assets carried at fair value through profit or loss	176,417	19	21,254	208,288	405,978
5. Net loan debts	14,169,959	433,395	1,601,808	664,641	16,869,803
6. Net investments in securities and other financial assets available for sale	1,774,655	56,010	155,698	329,994	2,316,357
7. Net investments in securities held to maturity	410,977	5,119	20,376	–	436,472
8. Current profit tax claims	19,774	–	–	–	19,774
9. Deferred tax asset	–	–	–	–	–
10. Fixed assets, intangible assets, and inventories	477,344	–	–	11	477,355
11. Other assets	468,151	2,435	9,603	25,527	505,716
12. Total assets	18,824,108	497,492	2,137,365	1,247,950	22,706,916

²⁹ The countries of the "Group of developed countries" include Australia, the Republic of Austria, the Grand Duchy of Luxembourg, the Hellenic Republic, Ireland, the Italian Republic, Canada, the Kingdom of Belgium, the Kingdom of Denmark, the Kingdom of Spain, the Kingdom of the Netherlands, the Kingdom of Norway, the Kingdom of Sweden, New Zealand, the Portuguese Republic, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal Republic of Germany, the Republic of Finland, the French Republic, the Swiss Confederation, and Japan.

<i>RUB million</i>	<i>Jan 1, '16</i>				
	<i>Russia</i>	<i>CIS</i>	<i>Countries from the Group of developed countries²⁹</i>	<i>Other countries</i>	<i>Total</i>
Liabilities					
13. Loans, deposits, and other funds of Bank of Russia	768,989	–	–	–	768,989
14. Funds of credit institutions	393,702	20,091	144,112	60,459	618,364
15. Due to customers other than credit institutions	16,434,972	45,480	1,060,079	181,892	17,722,423
16. Financial liabilities carried at fair value through profit or loss	103,528	–	59,819	64,820	228,167
17. Issued debt liabilities	647,694	–	–	–	647,694
18. Current profit tax liability	5,404	–	–	–	5,404
19. Deferred tax liability	93,348	–	–	–	93,348
20. Other liabilities	215,849	381	22,007	18,331	256,567
21. Provisions for possible losses on contingent liabilities of credit nature and other losses	36,366	1,070	0	369	37,805
22. Total liabilities	18,699,852	67,022	1,286,017	325,871	20,378,763
Net position	124,256	430,470	851,348	922,079	2,328,153

<i>RUB million</i>	<i>Jan 1, '15</i>				
	<i>Russia</i>	<i>CIS</i>	<i>Countries from the Group of developed countries</i>	<i>Other countries</i>	<i>Total</i>
Assets					
1. Cash and cash equivalents	1,240,712	–	–	–	1,240,712
2. Due from credit institutions in Bank of Russia	369,676	–	–	–	369,676
3. Due from credit institutions	35,826	866	192,524	127,271	356,487
4. Financial assets carried at fair value through profit or loss	508,589	107	48,740	268,252	825,688
5. Net loan debts	13,505,010	322,150	910,970	1,151,249	15,889,379
6. Net investments in securities and other financial assets available for sale	1,456,626	46,883	115,211	126,770	1,745,490
7. Net investments in securities held to maturity	342,398	6,316	17,760	–	366,474
8. Current profit tax claims	67,058	–	–	–	67,058
9. Fixed assets, intangible assets, and inventories	478,598	–	–	14	478,612
10. Other assets	310,005	2,716	67,819	26,644	407,184
11. Total assets	18,314,498	379,038	1,353,024	1,700,200	21,746,760
Liabilities					
12. Loans, deposits, and other funds of Bank of Russia	3,515,818	–	–	–	3,515,818
13. Due to credit institutions	299,725	52,206	343,563	99,362	794,856

RUB million	Jan 1, '15				
	Russia	CIS	Countries from the Group of developed countries	Other countries	Total
14. Due to customers other than credit institutions	12,869,762	31,196	925,475	200,291	14,026,724
15. Financial liabilities carried at fair value through profit or loss	210,912	10	113,428	293,595	617,945
16. Debt securities in issue	513,402	–	–	–	513,402
17. Current profit tax liability	2	–	–	–	2
18. Deferred tax liability	42,891	–	–	–	42,891
19. Other liabilities	182,665	262	25,766	7,560	216,253
20. Provisions for possible losses on credit-related commitments and other losses	35,325	43	–	1,163	36,531
21. Total liabilities	17,670,502	83,717	1,408,232	601,971	19,764,422
Net position	643,996	295,321	-55,208	1,098,229	1,982,338

Financial Market Risks

This category includes the following types of risks:

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

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

Market Risk³⁰

Risk type	Risk level, RUB billion		Risk level, % of the capital	
	Jan 1, '16	Jan 1, '15	Jan 1, '16	Jan 1, '15
Market risk	96.6	47.6	3.61	2.11
On portfolio of debt securities	83.5	46.7	3.12	2.07
Stock market risk	0.0	1.0	0.00	0.04
Currency risk	13.2	2.8	0.49	0.12
Effect from diversification of investments	-0.1	-3.0	0.00	-0.13

³⁰ Calculated based on the Bank's total position on financial instruments, including the Bank Book position, as well as on the Bank's total open currency position.

The rise of market risk as of January 1, 2016, compared to January 1, 2015, is the result of an increase in volatility caused by a shift of the historical volatility window used in modeling possible scenarios of how the value of instruments in a portfolio may change. According to the procedure for market risk level assessment, such scenarios are modeled using a historical window corresponding to a two-year period prior to the date of calculation. In addition, the rise of market risk is attributed to an expanded range of financial instruments covered as part of the VaR calculation.

The absence of stock market risk is caused by the liquidation of stock positions in the trading book held on the balance sheet of Sberbank in accordance with the decision to approve the stock portfolio management strategy.

Interest Rate and Currency Risks of the Banking Book

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

The main objectives of managing these types of risk are:

- Minimizing potential losses from a realization of interest rate and currency risks
- Compliance with regulators' requirements
- Risk-return optimization

Interest Rate Risk in the Bank Book

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

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

Interest rate risk management in 2015. In 2015, the Group mitigated ruble interest rate risk by implementing a series of counter-recessionary measures established by the Bank. Starting in 2016, as part of its interest risk management, the Bank shall establish its target position for ruble interest risk that has compliance regulated by indicators related to the monitoring of volumes and maturity structure of products subject to regular discussion by the Assets and Liabilities Management Committee.

Interest rate risk assessment. To measure the interest rate risk, a standardized shock is used in accordance with the recommendations of the Basel Committee. Forecasting of possible changes in interest rates is carried out separately with respect to the ruble position and is aggregated by the currency position. Interest rate shock is calculated as the 1% and 99% quantiles of the distribution of the average interest rate change obtained by the method of historical simulations according to data for at least the last 5 years. As a base interest rate for the assessment of ruble interest rate shock, an indicative rate of ruble interest rate swaps for a period of 2 years (RUB IRS 2Y) is used, as well as the LIBOR 3M for the currency position.

The table below shows the impact on a 1-year horizon for the Group's profit before tax by the growth of and decline in interest rates as of January 1, 2016, when compared to January 1, 2015³¹:

	<i>Decline in interest rates</i>		<i>Growth of interest rates</i>	
	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
RUB				
Change in interest rates, b.p.	-411	-626	722	1,130
Change in profit before tax, RUB million	128,962	261,393	-226,514	-472,196
Turkish Lira				
Change in interest rates, b.p.	-402	-353	689	626
Change in profit before tax, RUB million	28,298	10,047	-48,459	-17,813
Other currencies				
Change in interest rates, b.p.	-36	-15	124	56
Change in profit before tax, RUB million	-3,198	-174	10,883	634

The change of the interest rate in the bank book in Russian rubles as of January 1, 2016, when compared to January 1, 2015, was mainly attributable to:

- A reduction in short-term borrowings from Bank of Russia
- An increase in the portfolio of individual funds
- A decrease in the volatility of interest rates in Russian rubles

The change of interest rate risk in the banking book in the Turkish lira as of January 1, 2016, in relation to January 1, 2015, is largely driven by growing interest rates in the Turkish lira and an increase in the Denizbank Group balance.

The change of interest rate risk in the banking book in other foreign currencies as of January 1, 2016, in relation to January 1, 2015, is largely driven by:

- The growth of volatility for interest rates in US dollar
- Sberbank's termination of raising public funding in US dollars
- A reduction in the maturity of the legal entities loan portfolio

Currency Risk of the Banking Book

The Bank is exposed to currency risk due to the availability of open currency positions (OCP). The main sources of the banking book OCP are: crediting and raising funds in foreign currency and income earned in foreign currencies. Currency risk is realized due to unfavorable changes in exchange rates.

The Bank undertakes daily aggregation of the Bank's OCP and manages the open currency position in the banking book to reduce the currency risk. The Bank uses spot settlement exchange transactions, forward contracts, and USD futures contracts traded on MICEX as the main instruments for risk management.

³¹ Data on the interest rate risk of the Banking Book in rubles is given with regard to Sberbank, which makes up most of the interest rate risk in the Group's Banking Book in rubles. In foreign currencies, data is given with regard to the Group as of the last available date (August 1, 2015).

In 2014–2015, the Bank closed the currency positions of the bank book; consequently, the Bank did not suffer any losses due to a considerable weakening of the exchange rate of the Russian ruble compared to foreign currencies in accordance with the bank book's positions.

The OCP Cumulative Value Regarding the Banking and Trading Book³²:

Currency	Jan 1, '16			Jan 1, '16		
	USD	CHF	EUR	EUR	USD	CHF
Amount of OCP, RUB million	73,190	11,175	9,928	31,968	-18,666	13,450
Amount of OCP, % of capital	2.77	0.42	0.38	1.41	0.82	0.59

Operational Risk

Operational risk is the risk of losses for the Bank as a result of errors in the organization of the Bank's processes, employee errors, or misuse by third parties, failures in the operation of information systems, and also due to external events.

As a part of managing operational risks, the Bank has introduced processes for collecting internal data on operational risk, self-assessment, and scenario analysis incidents. To monitor risk, the Group uses a system of reports for the management and collective bodies involved in risk management processes. Risk reporting is drawn up on a daily, monthly, and quarterly basis.

Data related to risk assessment and incurred losses helps identify risk concentration zones for the further development of measures to mitigate the Bank's operational risks. The implemented risk mitigation measures are systemic and focused on the improvement of existing processes and transaction technologies (the risk of employee errors while making transactions has been mitigated, and a number of risks related to credit card issuing, overdraft card issuing, and incorrect currency rates in the Bank's systems has been ruled out). The Bank regularly monitors the status of its measures and residual risks, both from business units and operational risk subdivisions, executives, and collegial bodies of the Bank's management and Group members. The Bank is improving its awareness of risks, and the nondisclosure of completed incidents has reduced by almost three times.

The amount of damage from serious incidents of operational risk is regularly allocated among the Bank's subdivisions. Information on the damage is considered a part of the key performance indicators of members of the Executive Board, curators of the functional units of the Central Administrative Office, regional banks and branch managers. In addition, the Bank maintains a rating of the internal structural business units according to the level of the operational risks in order to minimize risks.

Detailed information about the risk management procedures and about other key risks, such as the risk of losses as a result of changes in property value, legal risk, compliance risk, regulatory risk, tax risk, strategic risk, and model risk, is provided in the explanatory information included in the scope of annual accounting (financial) statements of Sberbank for 2015, prepared in compliance with the requirements of Bank of Russia and published on the website of Sberbank www.sberbank.com.

³² The table cumulatively provides the 3 biggest OCP values regarding the banking and trading book as calculated in accordance with Bank of Russia Instruction No. 124-I.

8. Staff

General Information about the Personnel

In 2015, the actual number of Sberbank personnel decreased by 4,492 employees to 271,231 employees. This decrease is attributable to a decrease in the Operating, Retail, and Corporate Business Units. A considerable portion of employees (46 %) works directly with customers.

Employee Engagement

Sberbank pays a great deal of attention to improving the engagement of employees. For this purpose, the Bank conducts extensive annual employee surveys, and the feedback from such surveys is used to prioritize employee relations.

In 2015, the engagement survey was conducted online for the first time, which increased respondents to 194,000 and expanded geographic coverage to 346 cities. The engagement index showed substantial growth, 6.7 p.p. to 75.6 p.p, for the second year in a row. The top drivers affecting Sberbank's employee engagement include changes in the Bank's management quality, including communication quality; the competency level of top managers, their openness in employee relations and encouraging effective cooperation; opportunities for more efficient work performance, decision-making speed, simplified approval processes, the ability to influence decision making, and improved professional skills and compliance with employee values.

Following the survey, a set of practical guidelines has been established to develop the Bank's corporate culture. In 2016, there are plans to improve the quality of managerial communications using value estimates across all HR-cycle elements when making HR decisions. Efforts will be made to develop a mentoring-oriented leadership style in the daily work of top managers and improve disciplinary measures related to the prompt disclosure of challenges and errors.

Recruitment and Adaptation

In 2015, as part of the Bank's recruitment procedures for the year, Sberbank hired 54,554 new specialists and managers. According to new Sberbank standards, new employees are met with fast and quality onboarding procedures and support for adapting to the new environment.

In 2015, over 13,700 students completed practice and a probation period in Sberbank and its subsidiaries. The CIB Unit has developed and implemented the graduate recruitment and development program.

The Bank conducted 2,000 lectures and over 100 case-study competitions as part of its partnership program with educational institutions.

HR Cycle

The Bank follows a unified annual HR cycle for setting goals, assessing performance, and potential, career planning, and employee training and development.

The quarterly and annual goals for top managers are established on the basis of the Bank's strategic goals at the beginning of the year. The goals are then further downstreamed according to management level and geographic area.

Employee performance is assessed on a quarterly basis with the annual final results estimated in December; feedback is provided based on annual performance results. In 2015, an assessment of compliance with the Bank's values was added to the general performance assessment. In 2015, 100 % of employees passed their performance assessment.

As concerns executives, the Bank uses assessment tools such as personnel commissions for the joint assessment of the potential and success of managers. These commissions come up with an action plan for each employee, define the list of employees recommended as personnel reserves for key positions in the Bank, and approve the list of successors. In 2015, personnel commissions assessed 20,000 managers, or 63% of their total number. In 2016, this process will cover 100% of all managerial staff members.

Subject to this assessment, employees prepare their own individual development and improvement plans if such an employee is deemed inefficient. The total coverage of such plans increased 15 times in 2015 compared to 2014.

The Bank has personnel reserves for key positions, and a continuity policy is in place for other positions. The personnel reserve consists of effective managers with high potential that are ready to ascend to key positions within Sberbank in the next two years.

Based on an annual performance assessment, employees receive 360-degree feedback from their managers, peers, reports, and internal customers.

In 2015, Sberbank introduced a mentoring system that enables employees to grow from their peers' experiences. Twelve thousand managers completed mentorship training during the year, and most of them successfully applied such tools in practice.

Sberbank Corporate University reached full capacity and was top-rated by RBC in the ratings for corporate education leaders. Over 25 managers were trained at the university throughout the year. Over 200 executives taught corporate governance as part of the Leaders Train Leaders program.

In 2015, there was developed a new model of general bank competencies. New programs were introduced to train employees in 2016.

550,647³³ specialists were trained in 2015, and 254 centralized education programs were developed to train specialists. The education program satisfaction level for the year was 9.4 out of 10.

Corporate Benefits and Privileges

The Bank offers all employees who have successfully passed a probationary period voluntary medical insurance, accident, and illness insurance.

In 2015, Bank employees were offered rehabilitation and therapeutic treatment programs at reduced prices at the Mriya Resort on the Black Sea. Over 3 employees were granted free family resort vouchers under the Centralized Programs for the Support of Families with Many Children and as incentives to regional banks winners of review contests.

In 2015, the number of Bank employees who are members of the Corporate Pension Program and have personal pension accounts with the Sberbank Private Pension Fund reached 155,000.

³³A number of employees has been trained for several programs within the year.

9. IT Development

During the reporting year, Sberbank continued to implement its Technological Development Strategy through 2018. The Bank is making an effort to simplify its IT landscape, reduce time frames for marketing banking products, ensure system reliability and performance, and streamline project implementation. New important tasks were added to this list, including quality assurance for implemented software; cutting IT support costs; and developing business growth platforms to facilitate the Group's strategic advantage in the bank services market.

In 2015, key systems were running under an increasingly large load; the transaction load on the Bank's systems increased almost twofold from the previous year, which is the result of developments of functional systems and a growing customer base. The goals related to system reliability were met on account of the 99.99 Program, which creates reserves and focuses on the proactive treatment of operational risks. The Bank managed to create at least a half-year reserve for critical system performance by year's end, which allowed it to withstand the traditional transaction peak load without material failures in late 2015.

DDoS attacks on the Bank's resources are still high. They are becoming more intelligent and powerful. In 2015, all attacks failed thanks to 99.99 Program protection. In comparison, DDoS attacks completely disrupted customer service for almost a full hour in 2014. The Bank operates its own center to counteract Internet attacks.

For the purpose of coming up with a technological breakthrough to underlie the Bank's Development Strategy through 2018, the Technology unit was set up on the foundation of the IT and Operating Units in the fourth quarter of 2015.

In terms of its strategic programs, Sberbank has achieved the following results:

- Completion of the Program for IT system centralization, Centralization 2.0, that is unprecedented in its scope and was carried out by 32,000 employees over the span of four years. The program consolidated 15 regional bank systems and centralized databases. One of world's largest centralized IT platforms has now been established. This unified information space reduced timelines for launching new bank products for customers.
- Under the strategic Reliability Program 99.99, the aggregate down time for over 60% of systems was less than 52 minutes per year. The program employs a backup mode to serve customers and maintains limited functionality in case of failures or maintenance work, which prevented over 275 hours of downtime for the year.
- Sberbank launched a new strategic program called Creating a Support Platform for Business Development (18+) that involves global experts in architecture. Its purpose is to ensure a strategic advantage in the bank services market by creating a platform to meet prospective business needs in 2018–2023, reduce timelines for the launch of new products, cut IT infrastructure costs, and improve back office performance.
- The program Centralization 3->0 took 118 noncore systems and one DC out of operation and includes plans to deactivate 410 more noncore systems and replace IT hardware to cut budget costs. The purpose here is to complete landscape centralization by enhancing IT asset performance.
- The Bank successfully completed the transformation of the IT support unit's structure under the Everest Program that involves creating continuous hierarchies for service management and support. The effect of these efforts totaled RUB 650 million. The successful implementation of the process and technology transformation of operating function freed up 3,708 units.
- The Big Data program created the Big Data Lab Cluster and formed a portfolio of 55 initiatives for data monetization, with 4 of them carried out as business decision prototypes.

Information technology is present in all lines of the Bank's business. Below are the most meaningful IT-related events:

- Sberbank uses a unified SAP HR system to manage its personnel. This is world's largest project to implement SAP HR³⁴ covering all Bank employees working in 11 different time zones of 82 members of the Russian Federation. The Bank decommissioned 89 historical systems.
- Employees in all regions are now able to plan 100 % of operating expenses within a unified centralized system and substantially accelerate processing speeds.
- The Bank established the relevant benchmark customer base in all retail business segments by connecting the regional banks to a unified online customer profile system.
- Customers receive text notifications about the issue and delivery status of their cards. Customers can receive cards in all regions where Sberbank is present, regardless of the location of their account.
- The Bank has unified payments of government and municipal charges to the Ministry of Internal Affairs, Federal Bailiff Service, and Rosreestr in real time across the country.
- For the prompt identification of persons involved in terrorism and extremist activities and in order to counter illegal financial transactions in compliance with laws 115-FZ, 134-FZ, and 152-FZ, AS STOP-LIST interactions with the Bank's own AS have started occurring in real time. This will quickly identify any suspect customers in their transfers to deposit and card accounts and combat terrorism financing and criminal money laundering.
- The OptiCash/OptiNet system has been implemented across all regions: historical data related to cash balances and turnover in cash offices and ATMs are used to automatically generate reasonable recommendations for the addition or release of cash.
- An industry fraud-monitoring system has been developed to provide remote banking services to individual customers. This system mitigates the risk of customer cash theft and reputation losses for the Bank as a result of any fraudulent transactions.
- There is a solution in place to reduce the period for launching changes in deposit interest rates to accelerate the Bank's response to economic conditions.
- The Bank upgraded SWIFT interactions to enable the exchange of SWIFT documents with other banks when Sberbank becomes disconnected from SWIFT Alliance Access.
- Credit Factory, a new technology for issuing home loans, was launched to modify any selected product at any stage before a loan is issued. Customers apply for home loans to any ISU without the contributions of a mortgage manager, and there is no need to obtain another Bank's consent for any further change in the type of real estate or transaction. This will reduce the number of customers who decline transactions.
- The automated process for the assessment of credit history called Credit Conveyor and Credit Factory have been introduced for the Microbusiness and Small Business segments.
- Wi-Fi for customers and employees has been introduced in 6 Sberbank business units countrywide. Over 10 employees from these units use corporate tablets to service customers and connect them to the Bank's products and services.
- A new version of the Corporate Portal has brought together all regional banks that previously operated in 15 different portals within a single shared space.
- The Bank introduced a technology solution related to e-document exchange with government authorities that enabled employees to verify issued notarized powers of attorney using the corporate Business Portal.
- Sberbank's data center (Mega DC) has set up a data processing center for Sberbank-Europe. This is Russia's first project for the IT support of European banks that has saved its subsidiary banks approximately €50 million in IT support costs.
- Colibri-Online was introduced in the subsidiary banks of Belarus, Ukraine, and Kazakhstan to reduce international transfer processing time by 40 %.

³⁴ According to SAP CIS.

- Sberbank Online launched the sale of Wealth Products. The Group's insurance products are available for sale through the Internet.
- Sberbank's corporate website won the Bank Standard of Excellence Web Award and the Best Adaptive and Mobile Website from Runet's online project contest Golden Website 2015. Sberbank1.ru is also the prize winner for Retail Bank or Insurance Company Website.
- The main emphasis here is on the high quality of project implementation in terms of IT infrastructure. All project needs were met in terms of IT resources, with a decrease in initial resource requirements by RUB 11 billion.

Despite the challenging situation with sanctions against the Bank, said developments have helped to maintain a growth rate that complies with the Bank's strategic goals related to a technological breakthrough and to win international recognition. According to Global Finance, Sberbank Online won awards in the 2015 Best Consumer Digital Banks in two categories, the Best Information Security Initiatives and the Best Bill Payment and Presentment in Central and Eastern Europe. Sberbank's IT system centralization program is also a winner of the IPMA International Project Excellence Award 2015 for the category of Megasized Projects.

10. Administrative and Maintenance Activity

Purchasing Activities

The Bank's procurement is regulated by Federal Law No. 223-FZ dated July 18, 2011, On the Procurement of Goods, Works, and Services by Certain Legal Entities, and the Procurement Regulation of Sberbank.

Sberbank's website and the Unified Information System posted the 2015 General Procurement Plan of Sberbank in early 2015. At the end of the year, both websites published the 2016 Procurement Plan covering all the procurement procedures of the central head office and regional banks. The information resource for the centralized collection of the Bank's procurement documents before their release on open sources controls compliance of the procurement procedures of the central head office and regional banks with current legislation.

Mysberbank.ca.sbrf.ru has a section called the Center for Head Office Procurement to provide the Bank's procurement departments with the standard procurement documents and the database for standard agreements and the register of authorized suppliers.

The Bank has gone forward with a series of measures to prevent corruption in procurement:

- Procurement is being centralized and assigned to Procurement Centers established both in the head office and the regional banks
- Agreements with counterparties include a standard provision on the guarantee of prevention of corrupt actions; potential suppliers are proposed to agree to such conditions that include penalties for violations
- All employees involved in the Bank's procurement activity must pass annual psychological investigations using polygraphs

The Bank continues to have a focus on electronic procurement, auctions, and quotation requests. In 2015, the Bank carried out 3,084 electronic procedures for an initial price totaling RUB 36 billion. The procurement volume considered at the meetings of the Central Head Office Bidding Commission was RUB 156 billion, or RUB 28 billion/18% in reduced costs for the procurement procedures. The total economic effect of the Bank's procurement management totaled RUB 45 billion in 2015.

Sberbank's Electronic Office Document Management System (ED.MS.)

In 2015, Sberbank's e-document management system introduced the option of working with documents that contained "Confidential" and "Commercial Secret" information. Thus, the system has implemented a full cycle of electronic confidential document management.

The Bank has completed its project to automate office management in Moscow-based branches. Enhancing the hardware base has allowed for the connection of 4 new users. As a result, the Moscow bank head office and branches are able to maintain direct document turnover in the general automated system.

Real Estate Management and Operation

The program for disposal of real estate assets unused by the Bank in 2015 has provisions to dispose of over 2,600 facilities and a total of 418,000 square meters. In 2015, the Bank disposed of 3,400 facilities comprised of 465 thousand square meters by selling, leasing, or refusal of a lease or write-off.

Subject to the procedure for the identification of the Group's material risks, the risk of changing real estate value is deemed to be significant. To ensure a system-based approach to risk management, the Group's Risk Committee has appointed the business unit responsible for the management of this risk. The Bank is currently developing its risk management policy.

To effectively manage its real estate capacity, the Bank is implementing the Bank Property Insurance Program. The Group continues to support the general real estate insurance contract concluded in 2014 with MAKS CJSC, an insurance company and the winning bidder. The agreement was entered into for 2 years, lasting through June 30, 2016: the agreement insures the Bank's own facilities with a book value of more than RUB 20 million for a total sum insured of RUB 307 billion, and with a premium of RUB 56 million for the entire period of insurance coverage. The same company was awarded a general insurance contract for the fixed assets located in the insured buildings for a total sum of RUB 128 billion with a premium of RUB 11 million, and a civil liability insurance contract for a total sum of RUB 100 million with an insurance premium of RUB 5 million.

There are long-term (49 years) land lease agreements required for the campus operation of Sberbank's Corporate University with the Istra Municipal District Property Management Committee of the Moscow Region and the Forest Management Committee of the Moscow Region.

To improve real estate operation performance, regional banks are continuing to acquire state registration of real estate rights. The Bank analyzed the reasons for its failure to use land and the feasibility of its disposal. In 2015, the Bank executed a purchase and sale agreements on five land plots and one rent termination.

Power Resources Used by the Bank

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

<i>Power Resources</i>	2015		2014	
	<i>Quantity</i>	<i>Value thousand RUB</i>	<i>Quantity</i>	<i>Value thousand RUB</i>
Electric power, kW•hour	977,619,622	4,569,414	1,052,472,378	4,237,773
Heat energy, Gcal	1,297,926	1,519,063	1,560,235	1,430,557
Potable water, cubic m	5,902,326	145,586	3,069,000	110,673
Diesel fuel, l	15,197,627	512,736	13,718,766	437,479
Gasoline, l	13,189,924	440,389	17,217,092	487,667
Gas, cubic m	17,826,941	104,175	13,320,446	102,969
Coal, tons	841	3,272	1,996	4,914
Firewood, cubic m	2,099	1,743	1,918	1,739
Kerosene, l	35,890	1,725	36,280	1,516

11. Cash and Collector Services Department

In 2015, Sberbank developed the Profit Center, a model for managing cash collection and cashier operations. This is a service based on the transparent calculation of services for internal customers and the possibility of an optimal choice between the services of Cashflow Management Center³⁵ and those of the outsourcing companies. The model encourages to provide the most effective solutions.

In 2015, the Bank has ensured continuous operational processes and met all business needs in the shipment, processing, and storage of valuable items. The cash management and collection processes are integrated with the business processes of the Corporate and Retail Business Blocks. Solutions for optimization are being tested by the cash collection lean laboratories.

The Bank has developed a procedure to engage outside companies to provide services to the Bank's facilities and customers. Outsourcing performance is monitored, and the service price is reduced for inefficient providers or if the service is returned to the Bank.

Development of Cash Operations

Cash service units increased their performance in 2015, and transactions went up by 13%. 10,3 thousand ATMs have made the shift to central-based cash management and collection services. Intrasystem transactions in ISU and terminal loading/unloading are paperless to cut labor and paper storage costs. The Bank has reviewed its approach to control ISU operational risks to streamline costs and maintain an acceptable level of operational risks.

To develop cash office liquidity, the Bank has introduced mandatory technology to provide cash to ISU that has had positive effects on the Bank's costs. The Bank has completed the trial operation of cash-recycling terminals. All counting and sorting equipment has been adapted to the Bank's systems.

Cash Collection Services

In 2015, the Bank completed the set up of a new structure of the Cash Collection Service in regional banks.

Sberbank has continued to develop the monitoring system of special vehicles operated by the cash collection service. The Bank is also pursuing projects to streamline cash collection routes using transport regulation and logistics systems, mobile data collection technologies, and fuel consumption control. Intelligence protection tools are introduced to mitigate any risk events. The Cash Collection Service training center trains specialists responsible for the professional training of cash collectors. Cash collection service performance increased 15.2% in 2015.

In 2016, the Bank will carry out a full-scale transformation of its cash collection centers: the shift to 100% electronic document management, automation of cash management and cash collection, creation of transparent recording and control of moving employees and valuable bank items both within cash collection centers and across service facilities.

³⁵ Hereinafter referred to as the "Cashflow Management Center".

12. Correspondent Banking Relations

To facilitate the foreign economic operations of customers and improve the quality of international payments, Sberbank has opened 99 correspondent nostro ruble and foreign currency accounts in 57 banks worldwide as of January 1, 2016.

The Bank carries out continuous monitoring of its correspondent network, streamlines payment flows, improves performance of settlement transactions, and works to mitigate inherent risks and costs. For this purpose, the Bank opened nostro correspondent accounts in the Yuan, Hong Kong dollars, Singapore dollars and US dollars with Oversea-Chinese Banking Corporation (Singapore) and Bank of China, Shanghai Branch (China), and 7 special accounts with Euroclear Bank SA/NV (Belgium), Clearstream Banking S.A (Luxembourg), and Bayerische Landesbank (Germany) in US dollars, euro, Hong Kong dollars, and Turkish liras.

Loro correspondent accounts opened with Sberbank totaled 1,865 as of January 1, 2016, and of them 1,201 accounts are in foreign currency and precious metals. In 2015, loro accounts were used for 428,000 average transactions, which substantially exceeds the 2014 level of 383,000 transactions.

13. Safety & Security

The major safety and security efforts of Sberbank include ensuring information security, counteracting criminal invasions of the Bank's self-service terminals, counteracting fraudulent transactions using fake documents, ensuring the physical protection of Bank facilities.

In 2015, further improvement to the *protection of the Bank's cash and other valuables* continued thanks to the addition of new security equipment, special equipment, and improvements to the technical security of the facilities. Fire and security alarm systems are installed in 99.7% of ISU and other Bank real estate, and TV surveillance systems are installed in 86% of them. 97% of self-service terminals are equipped with security alarms. Over 3,700 ISU and 22,000 self-service terminals are connected to Monitoring centers³⁶.

Efforts to equip self-service terminals with security alarms connected to central security centers and ensure the prompt response time of security groups in 2015 prevented 555 out of 650 criminal attacks, and the total unrealized risks exceeded RUB 1,300 million. Security personnel that arrived to crime scenes thanks to ATM alarm signals detained 190 offenders.

2015 was characterized by an almost threefold increase in attempts to blow up SST safe-deposit boxes recorded across all regions. Losses from SST explosions were mitigated through the implementation of proactive security measures, such as gas analyzers, steam generating units, and light and sound alarms. In 2015, eight responses of gas analyzers with alarms and steam generators prevented the theft of a total of RUB 37.5 million, with total losses of RUB 42 million incurred during explosions throughout the year.

The Bank plans to expand coverage and enhance the operations of the Monitoring Centers and remote video control posts, including 24-hour zone control at night, counter SST explosions (completely furnish SST with gas analyzers, steam generators, and sound alarms), and improvements to contractual relations with security companies.

Information security units have implemented new technologies to identify *fraudulent transactions*, which in 2015 detected and prevented 25 attempted thefts of corporate funds and 154,000 attempted thefts of individual funds, with a total potential loss of RUB 2.8 billion.

Thanks to the fraud monitoring system, the amount of prevented losses on skimming in 2015 totaled roughly RUB 3.2 billion. Moreover, the use of chipped cards, antiskimming equipment, and an active struggle against installers of unauthorized equipment ensured a stable trend toward the reduction of compromised cases and Bank losses. In 2015, 463 (1,423 a year earlier) attempts to install skimming equipment in SST were detected. 40 equipment were seized throughout the year (141 a year earlier). 36 persons (77 persons a year earlier) were detained at the scene of the crime by law enforcement agencies with the active support of security units.

³⁶ Hereinafter referred to as the "SST".

New antifraud technologies at points of sales prevented fraud attempts totaling RUB 0.6 billion.

In 2015, law enforcement in cooperation with information security units terminated the operations of several cybercrime groups carrying out mass attacks on the Bank's customers and detained 15 people.

In 2015, economic security units submitted to law enforcement 3,600 claims for the criminal prosecution of persons charged with offenses against the Bank, with 1,400 criminal cases initiated and 270 persons prosecuted.

The sum of prevented potential damage as a result of the refusal to issue loans to corporate customers because of the presence of negative information and the furnishing of fake documents by customers totals over RUB 110.3 billion.

As part of Fraud Monitoring Red Button AR, the Bank carried out 292 inspections of corporate borrowers of regional banks upon the requests of the underwriting service related to suspicions of credit fraud. Fraud was confirmed in 181 instances for a total amount of RUB 6.9 billion.

In 2015, the Bank identified 100 instances of the use of stolen/lost/forged passports, of which 30 instances were related to customer applications for loans. Prevented losses total RUB 324.9 million, and incurred losses total RUB 84.6 million.

For the total loan application flow checked using Credit Factory technology, 1,457 applications containing misrepresentations of information on income and the employment of borrowers were revealed. Law enforcement authorities together with economic security units detained 18 persons attempting to take out loans using forged documents. The sum of prevented damages totaled over RUB 1.3 billion. Risk management units received 440 communications related to entities and persons involved in the creation of forged documents and carrying out of fraud schemes.

In 2015, decentralized technology was applied to verify 83,000 loan applications to prevent potential losses of RUB 19.4 billion.

The amount of damage prevented in connection with securities fraud is around RUB 12.3 million, with false enforcement orders and court orders totaling RUB 91.2 million.

Theft of funds from the Bank's client deposits with the use of 50 false powers of attorney was prevented in the amount of RUB 95.2 million.

The reporting period identified over 27,000 forged, fake, and intentionally damaged/split notes.

14. Organizational Chart of Sberbank

In 2015, Sberbank carried out transformations on all levels made possible due to the centralization of many support functions. The regional networks decreased the number of universal offices servicing both individual and corporate customers, eliminated one USB management level, and liquidated two regional banks by merging them with other regional branches, whereupon the number of regional banks reduced from 16 to 14. The Bank reformed its internal structure by setting up new organizational blocks (Technologies and Services) to build up operational processes in accordance with the Single Service Organization. These changes will encourage Sberbank to grow into an entity able to provide prompt and efficient responses to any changes in the external and domestic environment.

Branch Network and Presence Abroad

Branch Network within the Russian Federation

In 2015, the Bank continued with the modernization of its branch network. 581 branches have been set up, and 1,227 banking service offices have been eliminated. City offices were closed because their current location did not meet remarketing criteria or because of the poor condition of their premises. Village offices were closed for unbiased reasons (e.g., poor state of the premises and absence of alternative variants in a specific inhabited locality). However, there are mobile bank units running at the remote areas, and offices are being created in quickly-mounted modular structures. If technically feasible, in rural areas the Bank is installing self-service devices.

In 2015, the Bank reorganized regional banks to merge Severo-Kavkazsky and Yugo-Zapadny as well as Vostochno-Sibirsky and Sibirsky regional banks.

Structure of the Branch Network of the Bank within the Russian Federation:

<i>units</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Units in the Russian Federation, including	16,493	17,140
Territorial Banks	14	16
Branch offices	79	78
Total bank service offices, including:	16,400	17,046
Total number of additional offices, including	11,862	11,713
<i>specialized in rendering services to individuals</i>	10,756	10,206
<i>universal</i>	303	1,256
<i>specialized in rendering services to legal entities</i>	803	251
Operational offices	640	652
Operational cash desks outside the cash operating units	3,672	4,488
Mobile cash offices	226	193

Regional Structure of Sberbank Offices as of January 1, 2016:

Cities with a population over 1 million	12.9%
Cities with a population over 100 thousand and less than 1 million	19.4%
Other cities	7.2%
Urban-type communities	19.0%
Rural settlements	41.5%

In 2015, as part of the New Management Model for a Regional Network aimed at the optimization of regional network management, certain units were eliminated as management elements. 53 units that have nonbranch status were set up in high-potential cities.

To see customer service business models through in 2015, the Bank specialized 953 universal subbranches into individual and corporate service offices. The specialization process is planned to be complete by July 1, 2016.

Presence in Foreign Counties

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

Subsidiary banks³⁷ operate in the Republic of Kazakhstan, Ukraine, the Republic of Belarus, Switzerland, Austria, the Czech Republic, Slovakia, Hungary, Croatia, Serbia, Slovenia, Bosnia and Herzegovina, Banja Luka within Bosnia and Herzegovina, Turkey, Germany, and Bahrain. Within their regions of presence, subsidiary banks offer a wide range of banking services to retail and corporate customers and perform operations in financial markets. All operations are made under licenses obtained from national regulators.

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

³⁷ This annual report does not include financial data of the subsidiary banks.

15. Development Prospects

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

Changes in the external environment that took place in 2014–2015 could not fail to somehow affect the Bank's strategic development; however, they did not lead to a fundamental revision of strategy initiatives in general. Sberbank is one of the those few companies in the country that has not abandoned any projects due to the economic crisis and that continues to implement all the strategic initiatives that are necessary to ensure its long-term existence and competitiveness.

The challenges faced by the Group when the strategy was approved are still relevant, although some of them now have an increased sense of urgency. The growth of the Russian economy in the medium term will be slow, and volatility in the banking markets will remain accompanied by a serious reorganization of processes and an expected tightening of legal requirements.

A key challenge facing banks will be changes in technology, behavior models, and customer preferences. Basic customer needs will continue to exist, but new technologies will drastically change the way they are satisfied. The acceleration of global technology trends will exert increasing pressure on the profitability of banking operations caused by an increased degree of financial market disintermediation and the entry of new nonbanking players (fintech companies) into it.

In the emerging environment, Sberbank is witnessing accelerated technological development in all areas of its activity as a critical factor necessary for sustainable development and growth in the medium term. At the same time, the Group management model and corporate culture must also be adapted to the new requirements dictated by the competitive dynamics of the financial market.

We expect that in 2016 in the midst of continued low world energy prices the external background will remain unfavorable for the Russian economy and banking system; the recession will continue on along with low market growth and high credit risks.

For Sberbank, it will be of particular importance, even in these difficult conditions, not just to maintain momentum and the vector of its transformations but to significantly speed up the changes in several key areas. Given the challenges facing the Bank, we would like to highlight three key topics of focus for 2016: technology, structural transformation, team and culture.

Developments in technology should ensure radical improvements in the efficiency of Bank unit performance, including improved productivity of processes, reduced release dates for new products, reduced costs, and an improved quality and reliability of the Bank's systems.

One of the most important tasks to be solved by the Bank today is the development of our structure and management model to improve cross-cultural interactions, speed up the processes of adoption and implementation of administrative decisions, and intensify the Bank's innovative activities. To this end, in 2016, we launch the transformation program based on principles of bimodal and agile organization. We will have to implement a system of management through Run (the current mode of activity) and Change (the mode of constant changes, company development) and learn how to use agile tools, including those related to a flexible organizational structure, improved production processes, and team interaction procedures.

Transforming the structure and model of management will require, among other things, changes in the mindset and development of the Bank's corporate culture. Teamwork, the efficient use of time, and continuous self-development will become part of the DNA of the renovated Sberbank.

While carrying out the mission of the Bank's systemic transformation, special attention will be paid to retaining customers as the primary center of focus. Each and every decision will be tested for compliance with customer interests.

The implementation of tasks in key areas will make it possible for the Bank to reach the Group's 2016 financial targets and to ensure the formation of long-term competitive advantages for the Bank. All this will allow Sberbank to hold leading positions among companies with the highest rates of new technological development not only in 2016 but also in the longer term.

16. Corporate Governance Supervisory Board Report

Address of the Supervisory Board Chairman S. M. Ignatiev

Dear Shareholders,

This Corporate Governance Supervisory Board Report constitutes an integral part of Sberbank's annual report for 2015 and discloses the impact of corporate governance on key aspects of the Bank's operations and the Supervisory Board's role in the system of corporate governance.

As Chairman of the Supervisory Board of the country's largest financial institution, I see my own role in creating the necessary conditions for effective teamwork among board members, molding and maintaining a culture of mutual trust and respect, and ensuring transparent and fair relations between the Bank's executive bodies and the Supervisory Board.

The priority is to shape the Supervisory Board to be balanced by experience, skills, and competencies that are necessary for members of the Board to make strategic decisions aimed at the long-term sustainable development of the Bank and to implement effective supervision over business processes. No less important is the independent judgment of company directors, which is the very thing that underlies the Supervisory Board's ability to exercise proper control over executive bodies.

The quality of corporate governance is vital for any company and constitutes a factor that enhances its competitiveness by facilitating access to capital markets and by creating a more comfortable environment for business. Sberbank is therefore carrying out continuous, purposeful work on the formation of an effective corporate governance system that is based on recommendations from the Corporate Governance Code of Bank of Russia, the Principles of the Basel Committee, and the best corporate governance practices. The key events of this process in 2015 were:

- The development and approval of Sberbank's Corporate Governance Code and Sberbank Group's Code of Ethics, setting forth the fundamental principles for improving the system of corporate governance and the common ethics standards of Sberbank Group
- The harmonization of Sberbank's corporate governance with the recommendations of the Corporate Governance Code of Bank of Russia and the Basel Committee's principles as concerns interaction with shareholders, information transparency, activities of the Supervisory Board and its Committees, risk management, and the internal control system
- The update of Sberbank's internal document database corresponding to the best corporate governance practices
- The cascading of standards and practices of the Bank's corporate governance over controlled companies
- Ensuring compliance of the Bank's practices of corporate governance with the requirements of the Moscow Exchange Listing Rules

The Supervisory Board is consistently focused on the application and development of the best practices of corporate governance and considers such an approach as the main tool of strategic management and a link connecting the major business processes of the Bank.

Best regards,

S. M. Ignatiev
Chairman of the Supervisory Board

Corporate Governance System

The Bank's corporate governance system is based on an organizational model designed to regulate the relationship between the Bank's managers, the Supervisory Board, and the shareholders and sets forth the corporate decision-making rules and procedures that ensure the management and control of the Bank's activities.

The corporate governance system is based on the Corporate Governance Principles set forth by the Bank:

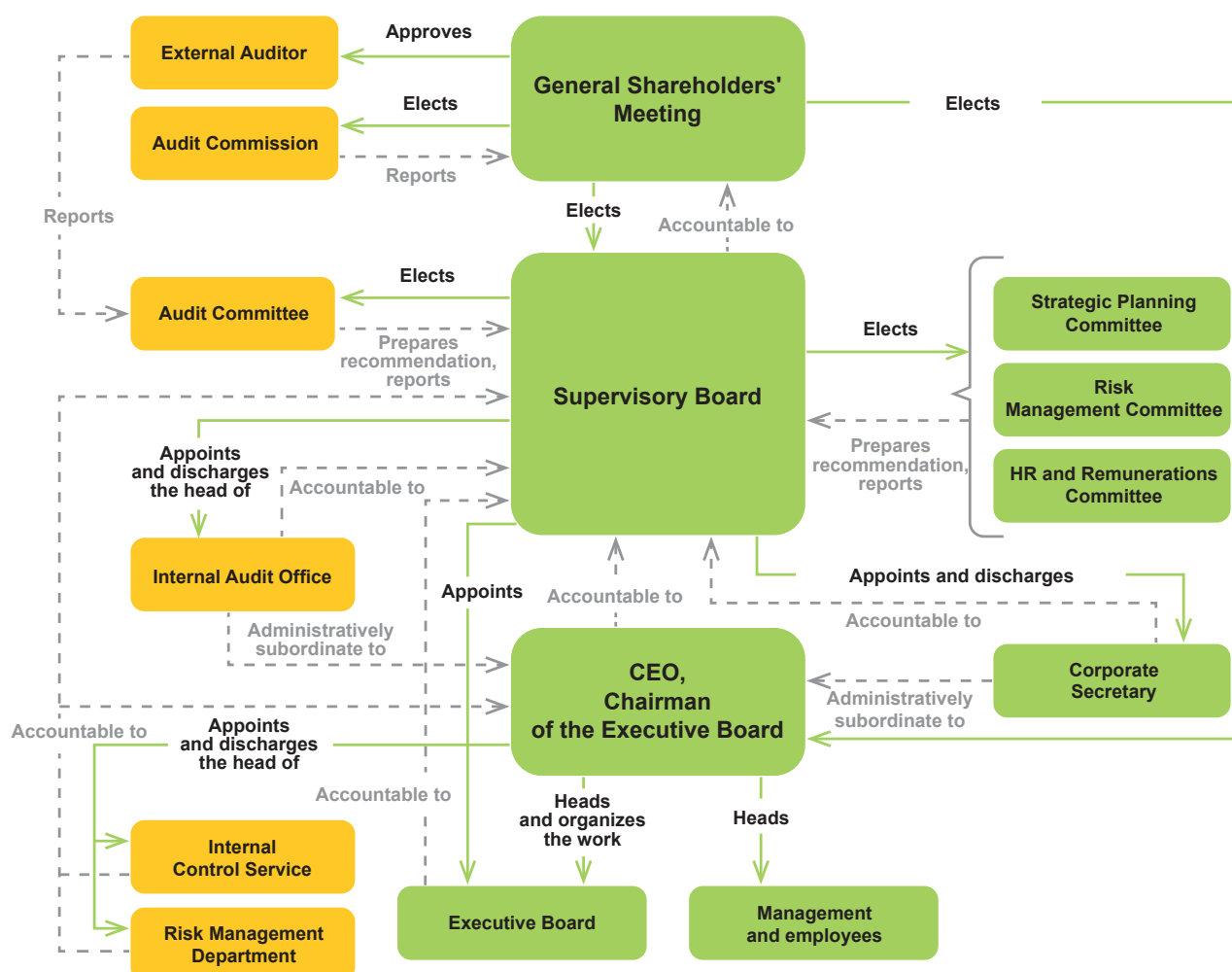
Sberbank's Corporate Governance Principles:

- Priority of shareholder rights and interests
- Provision of long-term sustainable business development
- Separation of powers and responsibility in business management
- Compliance of the competence and qualifications of Supervisory Board members with the scope of the Bank's activities
- Complete accountability of control bodies before shareholders
- Equilibrium and efficiency of the internal control and risk management systems
- Information transparency

Sberbank Group's Corporate Governance Code and Code of Ethics are posted on Sberbank's corporate website at

<http://sberbank.com/ru/investor-relations/disclosure/regulative-documents>

Bank's Corporate Governance System



General Shareholders' Meeting

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

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

A shareholder (or its representative) is entitled to express its opinion and to put questions to the Chairman of the meeting, members and candidates to the Supervisory Board and the Audit Commission, auditor's representative, members of executive bodies of the Bank present at the meeting. The course of the meeting can be observed remotely; since 2011, the Bank has been organizing web broadcasts of the meeting through the Bank's corporate website in Russian and English.

The procedure for preparing and holding the General Shareholders' Meeting is governed by the Regulations on the General Shareholders' Meeting.

In 2015, one General Shareholders' Meeting was conducted: the annual General Shareholders' Meeting of Sberbank was held on May 29, 2015. The following documents were approved at the Meeting: the Bank's Annual Report for 2014, Annual Accounting (Financial) Statements for 2014, new version of the Bank's Charter, new version of the Regulation on General Shareholders' Meetings, new version of the Regulation on the Supervisory Board, new version of the Regulation on Remuneration and Compensation Paid to Members of the Supervisory Board. Resolutions were made to distribute profits and pay dividends for 2014, to approve non-arm's-length transactions (for liability insurance for the Supervisory Board members and the Bank's officers, as well as the Bank's subsidiaries for the compensation of damages caused to the Bank or third parties in the exercise of their powers). Members to the Supervisory Board and the Audit Commission were elected, and the Bank's auditor was approved.

Supervisory Board

The Role of the Supervisory Board

The Supervisory Board³⁸ performs overall management over the Bank's activities, except for the resolution of issues referred to in the terms of reference of the General Shareholders' Meeting under the law and the Bank's Charter. The Supervisory Board's competencies are defined in the Charter and separated from the competencies of the executive bodies. Issues that fall under the terms of reference of the Supervisory Board may not be passed for resolution to the Bank's executive bodies. The Supervisory Board constitutes a key element of the corporate governance system and is responsible for the development of three key functions: governance, control, and communications.

³⁸ Hereinafter referred to as the "SB".

The Supervisory Board's Key Functions

Governance	<ul style="list-style-type: none"> • Determination of strategic goals and lines of development • Formation and monitoring of corporate governance system effectiveness and ensuring its development • Development of a talent management system and the staffing of governing bodies • Formation of policy related to motivation and the remuneration of key employees
Control	<ul style="list-style-type: none"> • Control over the actions of executive bodies, inter alia, compliance of activities with the approved development strategy • Determination of basic principles for and approaches to the organization of risk management and the internal control system
Communication	<ul style="list-style-type: none"> • Providing transparency of the Bank's activities through the formation of its information policy; the timely and full disclosure of information, communications with stakeholders

The Supervisory Board is accountable to the General Shareholders' Meeting and information regarding its operations is disclosed as part of the Annual report.

Chairman of the Supervisory Board

The Bank's Supervisory Board is headed by the Chairman to be elected from among Supervisory Board members at the first session of the board's meeting following the election held at the General Shareholders' Meeting. The Chairman of the Supervisory Board may not simultaneously act as CEO or Chairman of the Executive Board of the Bank.

The Chairman directs the work of the Supervisory Board, organizes the development of its work plan, approves the agenda of board meetings, and presides over the General Shareholders' Meeting of the Bank.

During meetings the Chairman ensures the free discussion of issues on the agenda, promotes the development of informed decisions, and maintains a constructive and friendly atmosphere.

Independent Directors and Their Role. Senior Independent Director

To ensure the effectiveness of decisions made and to support an equilibrium of interests of different shareholder groups, independent directors are included as part of the Supervisory Board's membership. In accordance with the Regulation of the Supervisory Board, the quantitative contribution of independent directors will be not less than 1/3 of the elected members of the Supervisory Board. An independent director is a Supervisory Board member possessing enough professionalism, experience, and independence to form their own opinion, who is able to express unbiased and scrupulous judgments that do not depend on the influence of the executive bodies of the Bank, certain groups of shareholders, or other interested parties.

The Supervisory Board will evaluate the independent status of candidates and is entitled to recognize a candidate (director) independent, despite the fact the latter has any formal criteria indicating the absence of independence, if the presence of such criteria does not affect the director's ability to express independent and unbiased judgments.

Pursuant to the decision of the Supervisory Board, a senior independent director is appointed from among independent directors whose main tasks will be to assist the Chairman of the Supervisory Board, arrange the assessment of its work, coordinate interaction between independent directors, and develop a consolidated opinion of independent directors on the issue under consideration, when necessary. For the first time, a senior independent director was elected to Sberbank's Supervisory Board in 2015.

Structure of the Supervisory Board

The make-up of the Supervisory Board is balanced in terms of skills, experience, and independence, thus allowing board members to effectively perform their functions.

Supervisory Board members meet qualification and business reputation requirements as established by applicable laws, have an excellent professional and business reputation, and ample knowledge and experience in the areas appropriate to the Bank's main activities: finance, banking operations, regulation of banking activities, corporate governance, risk management, internal control, audit and compliance.

Supervisory Board members also have the knowledge of the functional specifics of working at various positions in different companies and an understanding of the specifics of international markets and the way business is done in foreign cultures, and are of different ages, genders, and nationalities.

Structure of the Supervisory Board

Chairman of the Supervisory Board		
Deputies Chairman of the Supervisory Board		Senior Independent Director
Nonexecutive directors	Executive Director	Independent directors

Directors Balance (as of December 31, 2015)

Independent directors	6 persons
Executive Director	1 person
Nonexecutive directors	7 persons

The Ratio of Men and Women in the Supervisory Board (as of December 31, 2015)

Women	2 persons
Men	12 persons

Time in Position (as of December 31, 2015)

0–3 years	4 persons
3–7 years	4 persons
>7 years	6 persons

Location (as of December 31, 2015)

Russia	11 persons
Europe	2 person
USA	1 person

Education (as of December 31, 2015)

Economics, Finance	13 persons
Law	1 persons
Academic degrees	10 persons
Other	4 persons

Industry-Specific Experience and Other Skills of Supervisory Board Members (as of December 31, 2015)

Banking	13 %
Economics, finance, investment	20 %
Law	2 %
Corporate Governance	7 %
Audit, consulting	11 %
Securities market, exchange activities	7 %
International financial institutions	7 %
Public service experience	15 %
Teaching activities	11 %
Other	7 %

Liability Insurance

The liability of all SB members is insured under a liability insurance agreement entered into between the Bank and Ingosstrakh Insurance Company. Aggregate limit of liability insurance (except for independent directors) amounts to RUB 3 billion, aggregate additional coverage for independent directors, RUB 150 million.

Members of the Supervisory Board**Changes to Supervisory Board membership in 2015**

During the period from January to May 28, 2015, the SB acted pursuant to the annual General Shareholders' Meeting resolution dated June 6, 2014, and is composed of 17 members. During this period, 27 board meeting were held, including 2 attendee meetings and 25 absentee meetings.

1. S. M. Ignatiev	10. M. G. Gilman
2. N. Yu. Ivanova	11. E. T. Gurvich
3. G. I. Luntovskiy	12. P. Kralich
4. A. L. Kudrin	13. V. A. Mau
5. A. Profumo	14. S. G. Sinelnikov-Murylev
6. V. P. Goreglyad	15. D. V. Tulin
7. S. A. Shvetsov	16. G. G. Melikyan
8. H. O. Gref	17. N. Wells
9. B. I. Zlatkis	

According to changes to the Bank's Charter based on the results of the annual General Shareholders' Meeting dated June 6, 2014, the number of SB members was reduced from 17 to 14 members. In this regard, 14 members were elected to the SB at the annual General Shareholders' Meeting of Sberbank on May 29, 2015. From May 29 to December 2015, 40 board meeting were held, including 5 attendee meetings and 35 absentee meetings.

10. M. G. Gilman	10. V. A. Mau
11. E. T. Gurvich	11. G. G. Melikyan
12. P. Kralich	12. A. Profumo
13. V. A. Mau	13. S. G. Sinelnikov-Murylev
14. S. G. Sinelnikov-Murylev	14. N. Wells
15. D. V. Tulin	
16. G. G. Melikyan	
17. N. Wells	

Brief Biographical Data on Supervisory Board Members

SERGEY IGNATIEV

*Chairman of the Supervisory Board
Nonexecutive Director*

Date of Birth: January 10, 1948

Place of birth: Leningrad

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2000–2015

Membership in Committees: no membership in Committees

Education:

1975 – Lomonosov Moscow State University with a specialization in Political Economy

1978 – Post-graduate student at the Lomonosov Moscow State University, PhD in Economics

Work experience:

Since 2002 he has held the office of Deputy Governor of the Central Bank of the Russian Federation. From June 2013 to the present he has been an Advisor to the Governor of the Central Bank of the Russian Federation. He has extensive experience in teaching and research work and is an author of many scientific papers.

List of other nonexecutive professional obligations:

Member of the Board of Directors of the Central Bank of the Russian Federation and the State Corporation Deposit Insurance Agency

GEORGY LUNTOVSKIY

*Deputy Chairman of the Supervisory Board of
Nonexecutive Director*

Date of Birth: April 12, 1950

Place of birth: Kursk

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2000–2015

Membership in Committees: Chairman of the HR and Remuneration Committee

Education:

1978 – All-Union Correspondence Financial and Economic Institute, with a specialization in Finance and Credit

1997 – Russian Presidential Academy of National Economy and Public Administration with a specialization in Management in Market Conditions

1998 – Moscow State University of Economics, Statistics and Informatics, PhD in Economics

Work experience:

From 2005 to the present, he has been the First Deputy Governor of the Central Bank of the Russian Federation. His sphere of professional competence includes issues relating to the organization of cash circulation, personnel policy and work with personnel, the organization and functioning of the national payment system, operations of the Russian Encashment Association.

List of other nonexecutive professional obligations:

Member of the Boards of Directors of the Central Bank of the Russian Federation and Interstate Bank Chairman of the Supervisory Boards of Russian Encashment Association (ROSINKAS) and National Payment Card System JSC.

ALEKSEI KUDRIN

*Deputy Chairman of the Supervisory Board of
Nonexecutive Director*

Date of Birth: October 12, 1960

Place of birth: Dobell, Latvian SSR

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 1997, 2000–2003, 2005–2010, 2013–2015

Membership in Committees: Chairman of the Strategic Planning Committee

Education:

1983 – Zhdanov Leningrad State University with a specialization in Political Economy

1987 – Post-graduate student of the Institute of Economics of the USSR Academy of Sciences, PhD in Economics

Work experience:

From 2000 through 2011, he held the office of Deputy Chairman of the Government of the Russian Federation, Minister of Finance. While holding this position, he was three times the winner of the Finance Minister of the Year award (in 2004 awarded by the British "The Banker", in 2006 by the British "Emerging markets", and in 2010 by the British "Euromoney"). From June 2011 to the present, he has been the Dean of the Department of Free Arts and Sciences of Saint Petersburg State University. Author of more than 30 scientific papers related to economics and finance.

List of other nonexecutive professional obligations:

Chairman of the Supervisory Board of Moscow Exchange PJSC. Chairman of the Board of Directors at Meditsina PJSC and Future Private Pension Fund JSC

MARTIN GRANT GILMAN

*Member of the Supervisory Board
Independent Director*

Date of Birth: August 11, 1948

Place of birth: Memphis, USA

Citizenship: USA

Year(s) of election to the Supervisory Board: 2014–2015

Membership in Committees: member of the Strategic Planning Committee, member of the Risk Management Committee

Education:

1970 – University of Pennsylvania, Bachelor of Science (BS) in Economics (Wharton School), and Bachelor of Arts (BA) in Political Science (College of Liberal Arts)

1971 – Certificate of International Studies at the School of International Studies at Johns Hopkins University in Bologna

1972 – London School of Economics, MSc (Econ)

1981 – London School of Economics, PhD in Economics

Work experience:

From September 2005 to April 2015, he held the office of Director of the Center for Advanced Studies of the Higher School of Economics (Moscow, Russia). Currently, he is a Professor in the Department of Economics and Advisor to the Rector of National Research University Higher School of Economics (Moscow, Russia). He has more than 20 years of experience in the International Monetary Fund (1996–2002 – IMF Resident Representative in Russia).

List of other nonexecutive professional obligations:

Member of the Board of Directors at ROSBANK PJSC

HERMAN O. GREF

CEO, Chairman of the Executive Board

Member of the Supervisory Board

Executive Director

Date of Birth: February 8, 1964

Place of birth: Panfilovo, Irtysh District, Pavlodar Region, Kazakh SSR

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2005–2015

Membership in Committees: Member of the Strategic Planning Committee

Education:

1990 – Dostoevsky Omsk State University with a specialization in Legal studies

1993 – Postgraduate student at the Faculty of Law of Saint Petersburg State University

2011 – PhD in Economics

Work experience:

From November 2007 till present, CEO, Chairman of the Executive Board of Sberbank. In 2000–2007, Minister of Economic Development and Trade of the Russian Federation.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Yandex N.V. Member of Supervisory Boards at the Autonomous Nonprofit Organization Center for Expert Reviews on Issues of World Trade Organization, National Research University Higher School of Economics, the Autonomous Nonprofit Organization Agency of Strategic Initiatives to Promote New Projects. Chairman of the Boards of Directors at a number of subsidiary banks of Sberbank

NADEZHDA IVANOVA

Member of the Supervisory Board

Nonexecutive Director

Date of Birth: June 13, 1953

Place of birth: Russian Federation

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2002–2015

Membership in Committees: member of the Audit Committee, member of the Risk Management Committee

Education:

1975 – Moscow Financial Institute with a specialization in Finance & Credit

Work experience:

Since 1995, Director of the Consolidated Economic Department of the Central Bank of the Russian Federation.

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

List of other nonexecutive professional obligations:

Member of the Board of Directors of the Central Bank of the Russian Federation

VLADIMIR MAU

Member of the Supervisory Board

Independent Director

Date of Birth: December 29, 1959

Place of birth: Russian Federation

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2008–2015

Membership in Committees: Chairman of the Audit Committee, member of the Human Resources and Remuneration Committee

Education:

1981 – Plekhanov Moscow National Economic Institute Economics Department

1987 – Institute of Economics of the USSR Academy of Sciences, PhD in Economics

1994 – Institute of Economics of the USSR Academy of Sciences, Doctor of Economics

1999 – Pierre Mendès-France University, Grenoble (France), PhD in Economics

Work experience:

Since 2002 till present, he has been Rector of the Russian Presidential Academy of National Economy and Public Administration. Expert in economic theory, history of economic thought, and national economics. Participated in the development and practical implementation of economic reforms in the Russian Federation.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Transcapitalbank PJSC, Gazprom PJSC, Severstal PJSC

GENNADY G. MELIKYAN

*Member of the Supervisory Board
Senior Independent Director*

Date of Birth: November 27, 1947

Place of birth: Kropotkin, Krasnodar Krai

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2014–2015

Membership in Committees: Chairman of the Risk Management Committee, member of the Strategic Planning Committee

Education:

1974 – Lomonosov Moscow State University with a specialization in Political Economy

1977 – Post-graduate student at Lomonosov Moscow State University, PhD in Economics

Work experience:

From 2003 to 2011, he held the office of Deputy Governor of the Central Bank of the Russian Federation/Head of the Main Inspectorate of Credit Institutions and afterward held office as the First Deputy Governor of the Central Bank of the Russian Federation. 1992–1997, Minister of Labor and Social Development of the Russian Federation.

List of other nonexecutive professional obligations:

Member of the Boards of Directors at Energotransbank Commercial Bank (AVTOTOR Group), Mezhsudarstvennaya neftyanaya kompaniya Soyuzneftegaz CJSC

ALESSANDRO PROFUMO

*Member of the Supervisory Board
Independent Director*

Date of Birth: February 17, 1957

Place of birth: Genoa, Italy

Citizenship: Italy

Year(s) of election to the Supervisory Board: 2011–2015

Membership in Committees: member of the Strategic Planning Committee, member of the Risk Management Committee

Education:

1987 – Bocconi University (Italy), MSc (Business Administration)

Work experience:

Since 1997 to 2010, he has been the President of Unicredit Group. From 2012 to August 2015, Chairman of Monte dei Paschi di Siena (Italy). A specialist in the field of mergers and acquisitions.

List of other nonexecutive professional obligations:

Chairman of the Board of Directors at Appeal Strategy & Finance S.r.l., Equita SIM Spa, Turati 9, Nicla S.P.A. Member of the Board of Directors at TOG, Mossi Aziende agricole vitivinicole S.r.l.

ANTON G. SILUANOV

*Member of the Supervisory Board
Nonexecutive Director*

Date of Birth: April 12, 1963

Place of birth: Russian Federation

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2015

Membership in Committees: no membership in Committees

Education:

1985 – Moscow Financial Institute with a specialization in Finance & Credit

1995 – PhD in Economics

2012 – Doctor of Economics

Work experience:

From 2005 to 2011, he held office as the Deputy Finance Minister. From December 2011 to present, Minister of Finance of the Russian Federation. From June 2013, Associate Professor of the Finance and Economics Department at the Financial University under the Government of the Russian Federation.

List of other nonexecutive professional obligations:

Member of the Supervisory Boards of ALROSA Diamond Mining Company, Rostec Group of Companies, Russian Direct Investment Fund, Bank for Development and Foreign Economic Affairs Group of Companies (Vnesheconombank). Chairman of the Board of Directors at Deposit Insurance Agency Group of Companies. Chairman of the National Financial Council of the Central Bank of the Russian Federation. Manager for the Russian Federation at the International Monetary Fund, the International Bank for Reconstruction and Development, the Multilateral Investment Guarantee Agency, and the New Development Bank BRICS. Plenipotentiary of the Russian Federation in the Eurasian Development Bank

SERGEI G. SINELNIKOV-MURYLEV

*Member of the Supervisory Board
Independent Director*

Date of Birth: July 11, 1960

Place of birth: Russian Federation

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2011–2015

Membership in Committees: member of the Audit Committee, member of the HR and Remuneration Committee, member of the Risk Management Committee

Education:

1982 – Lomonosov Moscow State University with a specialization in Economic Cybernetics

1985 – PhD in Economics

1996 – Doctor of Economics

2005 – Received a diploma that entitles him to lead scientific research in economics (Le diplôme de l'habilitation à diriger des Recherches en "SCIENCES ECONOMIQUES")

2007 – Earned full Professorship

Work experience:

Since 2000 till present, he has been a professor of the System Economy Analysis Chamber of Moscow Physical and Technical Institute (State University). Since 2002 till present, he has been a vice Rector of the Russian Presidential Academy of National Economy and Public Administration. From 2008 to present, Academic Advisor at the Yegor Gaidar Foundation for Economic Policy. Since 2007 till present, he has been Rector of the Russian Foreign Trade Academy of the Ministry of Economic Development of the Russian Federation. Has extensive experience in teaching and research activities. A specialist in the field of macroeconomics, fiscal, budgetary and monetary policy.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Rosagrolizing PJSC, Yegor Gaidar Foundation for Economic Policy.

DMITRY TULIN

*Member of the Supervisory Board
Nonexecutive Director*

Date of Birth: March 26, 1956

Place of birth: Russian Federation

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 1997–1998, 2012–2015

Membership in Committees: member of the Audit Committee, member of the Human Resources and Remuneration Committee

Education:

1978 – Moscow Financial Institute with a specialization in International Economic Relations

1985 – PhD in economics

Work experience:

In 2006–2012, he was a companion of Deloitte & Touche CIS. From 2012 to present, Associate Professor of the Finance, Credit, and Insurance Department at the Russian Academy of Entrepreneurship. From January 2015 to the present, he has been the First Deputy Governor of the Central Bank of the Russian Federation.

List of other nonexecutive professional obligations:

Member of the Board of Directors of the Central Bank of the Russian Federation.

NADIA WELLS

*Member of the Supervisory Board
Independent Director*

Date of Birth: December 24, 1970

Place of birth: London, United Kingdom

Citizenship: Great Britain

Year(s) of election to the Supervisory Board: 2014–2015

Membership in Committees: member of the Audit Committee, member of the Strategic Planning Committee, member of the Risk Management Committee

Education:

1993 – MA graduate of Oxford University (with Honors) with a specialization in Modern History and Modern Language

2000 – INSEAD Business School (France), MBA

Work experience:

From 2001 to 2014, she held office as Vice President, Portfolio Manager, and Investment Analyst for Global Emerging Markets, Capital International SA. She is currently an independent professional investment and corporate governance advisor.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Barings Emerging Europe Plc.

SERGEI A. SHVETSOV

*Member of the Supervisory Board
Nonexecutive Director*

Date of Birth: December 27, 1970

Place of birth: Russian Federation

Citizenship: Russian Federation

Year(s) of election to the Supervisory Board: 2010–2015

Membership in Committees: member of the Strategic Planning Committee

Education:

1993 – Lomonosov Moscow State University with a specialization in Economic Cybernetics

Work experience:

In 2003–2011, Director of the Financial Market Operations Department, Central Bank of the Russian Federation.

In 2011–2013, Deputy Governor of the Central Bank of the Russian Federation. Since September 2013, holds the office of First Deputy Governor of the Central Bank of the Russian Federation.

List of other nonexecutive professional obligations:

Member of the Board of Directors of the Central Bank of the Russian Federation.

Participation of Members of the Supervisory Board in Meetings from January to May 28, 2015 (Supervisory Board before the annual General Shareholders' Meeting)

SB member	SB attendee meetings (out of 2 during the said period)	Audit Committee meetings (out of 2 during the said period)	HR and Remuneration Committee meetings (out of 4 during the said period)	Strategic Planning Committee meetings (out of 1 during the said period)
S. M. Ignatiev	2			
N. Yu. Ivanova	2	2		
G. I. Luntovskiy	2		4	
A. L. Kudrin	2			1
D. V. Tulin	2	2	4	
S. A. Shvetsov	2			1
H. O. Gref	2			1
M. G. Gilman	2			1
V. A. Mau	2	2	4	
G. G. Melikyan	2			1
A. Profumo	2			1
S. G. Sinelnikov- Murylev	2		4	1
N. Wells	2			1
V. P. Goreglyad	2	2		
Ye. T. Gurvich	2	2		
B. I. Zlatkis	2			
P. Kralich	2			1

Participation of Members of the Supervisory Board in Meetings from May 29 to December 2015 (Supervisory Board before the annual General Shareholders' Meeting)

SB member	SB attendee meetings (out of 5 during the said period)	Audit Committee meetings (out of 2 during the said period)	HR and Remuneration Committee meetings (out of 3 during the said period)	Strategic Planning Committee meetings (out of 3 during the said period)	Risk Management Committee meetings (out of 4 during the said period)
S. M. Ignatiev	5				
N. Yu. Ivanova	5	2	3		4
G. I. Luntovskiy	5				
A. L. Kudrin	5			3	
A. G. Siluanov	5				
D. V. Tulin	5	2	3		
S. A. Shvetsov	5			3	
H. O. Gref	5			3	
M. G. Gilman	5			3	4
V. A. Mau	5	2	3		
G. G. Melikyan	5			3	4
A. Profumo	5			3	4
S. G. Sinelnikov-Murylev	5	2	3		4
N. Wells	5	2		3	4

Meetings of the Supervisory Board

In 2015, 7 attendee and 60 absentee Supervisory Board meetings were held. A total of 143 issues were considered at the meetings. In accordance with its key functions, the following topics were considered by the Supervisory Board in 2015:

1. Determining priority areas for activities of the Bank and approving the Development Strategy
2. Hearing of management reports on the results of the Bank's activities
3. On the convocation of the annual General Shareholders' Meeting (AGSM)
4. On the termination of powers of Executive Board members. Approval of the participation of other legal entities in governing bodies
5. Placement of bonds
6. Approval of internal documents
7. Branch closings
8. Deciding on Supervisory Board members responsibilities; the establishment of Supervisory Board Committees
9. Consideration of issues related to risk and capital management strategies
10. Overseeing corporate governance practices
11. Review of Internal Audit Service reports. Compliance system
12. Approving non-arm's-length transactions

Assessment of Supervisory Board performance

To identify additional points of focus in the operations of the Supervisory Board and its Committees as well as areas of potential improvement and development, the Supervisory Board will engage an independent external consultant to assess its performance at least once every three years and will conduct an annual self-assessment of the quality of its own performance at a different time.

To conduct an external assessment of the efficiency of the Supervisory Board and the performance of its Committees in 2015, the Bank has approached the Oliver Wyman international consulting company pursuant to the Supervisory Board's decision.

This assessment is the second external assessment of the efficiency of the Supervisory Board's performance. As a result of its efforts, there have been markedly substantial improvements in corporate governance practices since the previous external assessment in 2012: the size and composition of the Supervisory Board have been optimized, the Risk Management Committee has been established, a senior independent director has been appointed, and the Supervisory Board's role regarding Ethics and Business Conduct has been strengthened.

The external assessment has confirmed the Bank's corporate governance conformity to the recommendations of the Corporate Governance Code of Bank of Russia and international standards. In addition, according to the results of the external assessment, areas have been identified for the further improvement of the efficiency of the Supervisory Board's performance, including a systematization of operations on the setup of the Supervisory Board, improvements to training programs for Supervisory Board members, improvements to the efficiency of preparation and holding of meetings, and a strengthening of the Supervisory Board's individual functions.

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

	<i>Share in the authorized capital (%)</i>	<i>Percentage of ordinary shares (%)</i>	<i>Information on the settlement of transactions with Bank shares</i>
Sergey Ignatiev	–	–	No transactions settled
Georgy Luntovskiy	–	–	No transactions settled
Aleksei Kudrin	–	–	No transactions settled
Martin Grant Gilman	0.00018	0.00019	No transactions settled
Herman Gref	0.0031	0.003	No transactions settled
Nadezhda Ivanova	–	–	No transactions settled
Vladimir Mau	–	–	No transactions settled
Gennady Melikyan	0.0001	0.0001	No transactions settled
Profumo, Alessandro	–	–	No transactions settled
Anton Siluanov	–	–	No transactions settled
Sergey Sinelnikov-Murylev	–	–	No transactions settled
Dmitry Tulin	–	–	No transactions settled
Wells, Nadia	–	–	No transactions settled
Sergei Shvetsov	–	–	No transactions settled
The cumulative percentage of Bank shares owned by SB members	0.0034	0.0033	

Supervisory Board Committees

The constantly operating Committees, which are the SB's consultative and advisory bodies established for preliminary consideration of the most important issues of the Bank's activities, have been created under the Supervisory Board.

Audit Committee

The main objectives of the Committee are to increase the effectiveness of the internal control, risk management, and corporate governance systems, ensure the performance of the management and control functions of the Supervisory Board regarding the functioning of these systems, and control over the reliability of accounting (financial) statements and the activities of external auditors and the Internal Audit Service.

Four attendee meetings of the Committee were held in 2015. A total of 11 issues were considered at the meetings. In 2015, in adherence to its framework of competencies, the Audit Committee reviewed the following substantive issues:

1. *Control over the reliability of accounting (financial) statements*
 - Assessment of auditor opinions regarding the annual accounting (financial) statements of Sberbank for 2014
 - Opinion of the Audit Committee following the Audit of Sberbank's Financial and Economic Activities in 2014
 - Reconsideration of the issue of profit distribution and recommendations on the amount of dividends paid in 2014
2. *External audit results*
 - Results of the audit of Sberbank by the Central Bank of the Russian Federation
3. *External auditor activities*
 - On Sberbank's auditor for 2015 and the first quarter of 2016
 - On the results of the auditing company's operations in the first half of 2015 and recommendations following the audit for 2014
4. *The Internal Audit Service's activities*
 - On the results of audits conducted by the Internal Audit Service in the fourth quarter of and for 2014 in general, in the 1st half of 2015 and for 9 months of 2015
 - On the Audit Plan for audits to be held by the Internal Audit Service in 2016
5. *Procedural issues of the Audit Committee's activities*
 - On the approval of the Audit Committee's Operational Plan for 2015–2016

Changes to the Audit Committee's membership in 2015

<i>Composition of the Audit Committee from January to May 2015:</i>	<i>Composition of the Audit Committee from June to December 2015:</i>
V. A. Mau (Chairman, Independent Director)	V. A. Mau (Chairman, Independent Director)
V. P. Goreglyad	N. Wells (Independent Director)
N. Yu. Ivanova	N. Yu. Ivanova
E. T. Gurvich (Independent Director)	S. G. Sinelnikov-Murylev (Independent Director)
D. V. Tulin	D. V. Tulin
2 attendee meetings were held	2 attendee meetings were held

HR and Remuneration Committee

The main objectives of the HR and Remuneration Committee are to strengthen the staff and increase the effectiveness of the Supervisory Board, prepare proposals on development of an effective system of remuneration of the Supervisory Board members, the Bank's executive bodies, and other employees of the Bank. In 2015, six attendee and one absentee Committee meetings were held. A total of 12 issues were considered at the meetings. In 2015, the Committee considered the following significant issues:

1. *Planning for the succession of members of the Supervisory Board and members of the executive bodies of the Bank*
2. *Development of an effective system of remuneration for members of the Supervisory Board, executive bodies of the Bank, and other key executive employees*
3. *Assessment of Supervisory Board performance*
4. *Procedural issues of the HR and Remuneration Committee's activities*

The HR and Remuneration Committee membership remained unchanged in 2015:

<i>HR and Remuneration Committee membership from January to May 2015:</i>	<i>HR and Remuneration Committee membership from June to December 2015:</i>
G. I. Luntovskiy (Chairman) V. A. Mau (Independent Director) S. G. Sinelnikov-Murylev (Independent Director) D. V. Tulin	G. I. Luntovskiy (Chairman) V. A. Mau (Independent Director) S. G. Sinelnikov-Murylev (Independent Director) D. V. Tulin
4 meetings held: 3 attendee and 1 absentee meetings	3 attendee meetings were held

Strategic Planning Committee

The main Strategic Planning Committee's objectives are to prepare and present recommendations to the Supervisory Board on issues of the Bank's strategic development. Four attendee meetings of the Committee were held in 2015. A total of 10 issues were considered at the meetings. In 2015, in adherence to its framework of competencies, the Strategic Planning Committee reviewed a number of substantive issues:

1. *Implementation of the Bank's Development Strategy*
2. *Long-term effectiveness of the Bank's activities*
3. *Procedural issues of the Strategic Planning Committee's activities*

Changes to the Strategic Planning Committee's membership in 2015:

<i>Strategic Planning Committee membership from January to May 2015:</i>	<i>Strategic Planning Committee membership from June to December 2015:</i>
A. L. Kudrin (Chairman) H. O. Gref M. G. Gilman (Independent Director) P. Kralich (Independent Director) G. G. Melikyan (Independent Director) A. Profumo S. G. Sinelnikov-Murylev (Independent Director) N. Wells (Independent Director) S. A. Shvetsov	A. L. Kudrin (Chairman) M. G. Gilman (Independent Director) H. O. Gref G. G. Melikyan (Senior Independent Director) A. Profumo (Independent Director) N. Wells (Independent Director) S. A. Shvetsov
1 attendee meeting was held	3 attendee meetings were held

Risk Management Committee

The main objectives of the Risk Management Committee are to preliminarily review the Bank and Group's strategy for risk management and risk appetite and to monitor the implementation of risk management strategies and risk appetite compliance. Established in May 2015, it is the "youngest" Committee of the Supervisory Board. In 2015, three attendee and one absentee Committee meetings were held. A total of 8 issues were considered at the meetings. In 2015, in adherence to its framework of competencies, the Risk Management Committee reviewed the following substantive issues:

1. Preliminary review of the Bank and Group's strategy for risk management, risk appetite, monitoring of the implementation of risk management strategies, and risk appetite compliance
2. Procedural issues of the Risk Management Committee's activities

Changes to the Risk Management Committee's membership in 2015:

<i>Risk Management Committee membership from January to May 2015:</i>	<i>Risk Management Committee membership from May to December 2015:</i>
Before May 2015 the Committee had not been subject to staffing	G. G. Melikyan (Chairman, Senior Independent Director) M. G. Gilman (Independent Director) A. Profumo (Independent Director) S. G. Sinelnikov-Murylev (Independent Director) N. Wells (Independent Director) N. Yu. Ivanova
No meetings were held	4 meetings held: 3 attendee and 1 absentee meetings

Corporate Secretary

Sberbank provides for the position of a corporate secretary. The Corporate Secretary shall be appointed to office pursuant to the decision of, be accountable to, and operate under the control of the Supervisory Board and will be administratively subordinate to the CEO, Chairman of the Executive Board. The activities of the Corporate Secretary are governed by the Regulation on the Corporate Secretary approved by the Supervisory Board.

The Corporate Secretary's main objective is to ensure the implementation of the Bank's policy as concerns corporate governance and to coordinate all actions during the Bank's implementation of corporate governance processes and their improvements, which includes exercising functions of methodology, control, and monitoring over the conformity of individual processes to such a policy.

OLEG Y. TSVETKOV

Corporate Secretary

Date of Birth: December 1, 1973

Place of birth: Sokol, Vologda Region

Citizenship: Russian Federation

Date of appointment: 2014

Education:

2000 – Moscow State Law Academy, Legal Studies Department

2002 – Candidate of Philological Sciences (English language)

2008 – the Business School of the University of Northumbria (UK), MBA

Work experience:

In 2006–2014, he held the office of a corporate secretary of OJSC Severstal, in 2011–2014, he was the head of Department of Corporate Relations in Severstal OJSC. Since January 2014, Head of the Corporate Secretary Service, Sberbank. On September 12, 2014, appointed to the position of Corporate Secretary of Sberbank.

List of other nonexecutive professional obligations:

Board Chairman of the Russian public organization National Association of Corporate Secretaries

Executive Bodies of the Bank

Executive Board

The Executive Board of the Bank is a collective executive governing body headed by the CEO, Chairman of the Executive Board, which is responsible for the general management of the Bank's current activities. At least once a year, the Executive Board will provide to the Supervisory Board a report on the progress of the Bank's implementation of its strategies and the execution of Supervisory Board and General Shareholders' Meeting decisions; on a quarterly basis, it will provide a report on the Bank's financial and economic performance and the level of risks assumed by the Bank

Executive Board members are appointed to and dismissed from office pursuant to the Supervisory Board's decision.

The CEO, Chairman of the Executive Board of the Bank heads the Executive Board and manages its activities, manages the operations of the Bank, ensures the implementation of decisions of the Supervisory Board and General Shareholders' Meetings, organizes the work of the Executive Board, distributes obligations among members of the Executive Board, and presides over meetings of the Executive Board. The CEO, Chairman of the Executive Board is elected at the General Shareholders' Meeting for 4 years.

The CEO, Chairman of the Executive Board is responsible for organizing the training system and reliability of the Bank's accounting (financial) statements, the timely disclosure of information, and providing its shareholders, the Bank's customers and other interested parties, with information about the Bank's activities.

Members of the Executive Board

Members of the Executive Board of Sberbank as of December 31, 2015

1	Herman Gref	CEO, Chairman of the Executive Board
2	Maxim Poletaev	First Deputy Chairman of the Executive Board
3	Lev Khasis	First Deputy Chairman of the Executive Board
4	Oleg Ganeev	Deputy Chairman of the Executive Board
5	Sergey Gorkov	Deputy Chairman of the Executive Board
6	Bella Zlatkis	Deputy Chairman of the Executive Board
7	Stanislav Kuznetsov	Deputy Chairman of the Executive Board
8	Vadim Kulik	Deputy Chairman of the Executive Board
9	Alexander Morozov	Deputy Chairman of the Executive Board
10	Alexander Torbakhov	Deputy Chairman of the Executive Board
11	Alexander Bazarov	Senior Vice President
12	Nikolay Tsekhomskiy	Senior Vice President – Director of Finance Department

Executive Board membership changes:

From January 1 to December 31, 2015, the following changes occurred in Executive Board membership:

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

From January 1 to December 31, 2015, the following changes occurred in Executive Board membership:

- In accordance with the resolution of the Supervisory Board dated February 29, 2016, Sergey N. Gorkov, Deputy Chairman of the Executive Board, was removed from the Executive Board, and his authority was terminated.
- In accordance with the resolution of the Supervisory Board dated February 29, 2016, Nikolay V. Tsekhomskiy, Director of the Finance Department, was removed from the Executive Board, and his authority was terminated.

Brief Biographical Data on Executive Board Members

Below is some short biographical data on the members of the Executive Board as of December 31, 2015³⁹.

HERMAN O. GREF

CEO, Chairman of the Executive Board

Member of the Supervisory Board

Date of Birth: February 8, 1964

Place of birth: Panfilovo, Irtysh District, Pavlodar Region, Kazakh SSR

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2007

Education:

1990 – Dostoevsky Omsk State University with a specialization in Legal studies

1993 – Post-graduate student at the Faculty of Law of Saint Petersburg State University

2011 – PhD in Economics

Work experience:

From November 2007 till present, CEO, Chairman of the Executive Board of Sberbank. In 2000–2007, Minister of Economic Development and Trade of the Russian Federation.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Yandex N.V. Member of Supervisory Boards at the Autonomous Nonprofit Organization Center for Expert Reviews on Issues of World Trade Organization, National Research University Higher School of Economics, the Autonomous Nonprofit Organization Agency of Strategic Initiatives to Promote New Projects. Chairman of the Supervisory Board for SBERBANK PJSC (Ukraine). Chairman of the Board of Directors at DENIZBANK ANONIM ŞİRKETİ (Turkey).

³⁹ Information about the professional activities of the Executive Board members is given for the last five years.

MAXIM V. POLETAEV*First Deputy Chairman of the Executive Board*

Date of Birth: April 6, 1971

Place of birth: Yaroslavl

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2013

Education:

1993 – graduated from Yaroslavl State University with a degree in Accounting, Control, and Analysis of Business Activity

Work experience:

From October 2009 to June 2013, Vice President – Chairman of the Moscow Bank of Sberbank. In June 2013, he was appointed First Deputy Chairman of the Executive Board of Sberbank. He supervises and coordinates the work of the Regional Development Unit, the Retail Business Unit, the Corporate Business Unit, and the CIB Unit.

List of other nonexecutive professional obligations:

Chairman of the Board of Directors at Sberbank Capital LLC, Sberbank Real Estate Center LLC, Russian Auction House PJSC. Chairman of the Supervisory Board at Sberbank Asset Management JSC. Member of the Board of Directors at Grand Baikal LLC.

LEV KHASIS*First Deputy Chairman of the Executive Board*

Date of Birth: June 5, 1966

Place of birth: Kuybyshev (now, Samara)

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2013

Education:

1989 – Korolev Kuibyshev Aviation Institute of the Order of the Red Banner of Labor (Aircraft Engineering)

1995 – Institute of Continued Education and Advanced Training for Financial and Banking Specialties at the Finance Academy under the Government of the Russian Federation (Banking)

2001 – Saint Petersburg University of the Ministry of Internal Affairs of Russia (Law)

2007 – Institute for Systems Analysis in the Russian Academy of Sciences, PhD In Economics

Work experience:

From May 2010 to June 2011, he held the office of Chief Executive Officer at Trading House PEREKRESTOK JSC. From October 2011 to August 2013, Senior Vice President, Wal-Mart Stores Inc. In September 2013, appointed First Deputy Chairman of the Executive Board at Sberbank. Supervises and coordinates operations of the Information Technologies Unit, Operations Unit, Administrative Unit, Digital Business Development Directorate, Promising Lines of Business Center, and a number of other areas in the Bank.

List of other nonexecutive professional obligations:

Chairman of the Boards of Directors at Center of Loyalty Programs JSC, Sberbank – Automated System for Trading CJSC. Member of the Boards of Directors at PS Yandex.Money LLC, Jet.com.Inc.

OLEG V. GANEEV*Deputy Chairman of the Executive Board*

Date of Birth: October 5, 1972

Place of birth: Ufa, Bashkortostan

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2014

Education:

1995 – Ufa State Aviation Technical University with a specialization in Automated Design Engineering Systems

1997 – Bashkir State University with a specialization in Economic and Social Planning

2010 – Russian Presidential Academy of the National Economy and Public Administration, MBA, Strategic Management and Marketing

2014 – London Business School, Management and Finance for Bankers

Work experience:

From October 2008 to January 2011, Head of Office and then Deputy Chairman of the Executive Board of Rus-Bank PJSC. From February 2011 to September 2012, Manager at Sberbank Bashkir Branch No. 8598. From September 2012 to November 2014, Vice President, Senior Vice President of Sberbank. In November 2014, appointed to office as the First Deputy Chairman of the Executive Board. Currently holds the position of Head of the CIB Unit.

List of other nonexecutive professional obligations:

None

SERGEY N. GORKOV*Deputy Chairman of the Executive Board*

Date of Birth: December 1, 1968

Place of birth: Gai, Orenburg Region

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2010

Year Executive Board membership was terminated: 2016

Education:

1994 – Academy of the Federal Security Service of the Russian Federation with a specialization in Legal Studies

2002 – Plekhanov Russian Economic Academy with a specialization in Finance & Credit

Work experience:

From 2008 to 2010, he held office as the Director of the HR Policy Department, Sberbank of Russia. From October 2010 to February 2016, member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank. On February 29, 2016, pursuant to the resolution of the Supervisory Board, removed from the Executive Board due to the transfer to another job (Appointed as Chairman of the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank), pursuant to a Decree from the President of the Russian Federation).

List of other nonexecutive professional obligations:

Chairman of the Supervisory Board at Denizbank AG (Vienna, Austria). Chairman of the Board of Directors at SB of Sberbank JSC (Kazakhstan). Deputy Chairman of the Supervisory Boards at SBERBANK PJSC (Ukraine), BPS-Sberbank PJSC (Republic of Belarus), Sberbank Europe AG. Member of the Board of Directors at DENIZBANK ANONIM ŞİRKETİ (Turkey).

BELLA I. ZLATKIS*Deputy Chairman of the Executive Board*

Date of Birth: July 5, 1948

Place of birth: Russian Federation

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2004

Education:

1970 – Moscow Financial Institute with a specialization in Finance & Credit

1978 – Post-graduate student of the All-Union Correspondence Financial and Economic Institute, PhD in Economics

Work experience:

From 2004 till present, Deputy Chairman of the Executive Board of Sberbank. Supervises and coordinates the work of the GR, Legal Issues, Compliance and Subsidiaries Unit and the Internal Audit Directorate.

List of other nonexecutive professional obligations:

Chairman of the Supervisory Board of National Settlement Depository Nonbank Lending Institution (CJSC). Member of the Supervisory Board on the Moscow Stock Exchange MICEX-RTS PJSC.

STANISLAV K. KUZNETSOV*Deputy Chairman of the Executive Board*

Date of Birth: July 25, 1962

Place of birth: Leipzig (GDR)

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2008

Education:

1984 – Military Institute with a Military and Political Specialization including the study of foreign languages (German and Czech)

2002 – Law Institute of the Ministry of Internal Affairs of the Russian Federation (Law)

2005 – Cand.Sc. (Law)

Work experience:

From January 2008 to October 2010, Senior Vice President of Sberbank. In October 2010, appointed to the office of First Deputy Chairman of the Executive Board. Supervises the work of the Administrative Unit, the Administrative Support Center, and the Moscow Regional Directorate of the Cashflow Management Center. Coordinates operations of the Bank's security subdivisions.

List of other nonexecutive professional obligations:

Chairman of the Boards of Directors at Krasnaya Polyana NJSC, Rublevo-Arkhangelskoe JSC, Savings Capital LLC. Member of the Board of Directors at Sberbank – Automated System for Trading CJSC.

VADIM V. KULIK*Deputy Chairman of the Executive Board*

Date of Birth: August 14, 1972

Place of birth: Nalchik, Kabardino-Balkar ASSR

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2013

Education:

1995 – Mendeleev Russian Chemical and Technological University with a specialization in the Chemical Technology of Materials in Modern Power Engineering

Work experience:

From February 2010 to May 2013, he held the offices of Director of the Risks Department, Vice President – Director of the Risks Department, Senior Vice President of Sberbank. In May 2013, appointed to the office of First Deputy Chairman of the Executive Board. Supervises and coordinates the work of the Information Technologies Unit, the Risks Unit, the IT Support Center, and a number of other departments.

List of other nonexecutive professional obligations:

Chairman of the Board of Directors at Sberbank Technologies JSC. Member of the Board of Directors at Sberbank Leasing JSC, DENIZBANK ANONIM ŞİRKETİ (Turkey).

ALEXANDER V. MOROZOV*Deputy Chairman of the Executive Board*

Date of Birth: March 9, 1969

Place of birth: Russian Federation

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2008

Education:

1995 – Lomonosov Moscow State University (Economic Theory)

2004 – Harvard Business School, MBA Program

Work experience:

In 2009–2012, Vice President – Director of the Finance Department of Sberbank. Since January 2013, Deputy Chairman of the Executive Board. Supervises and coordinates the work of Finance Unit.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Cetelem Bank LLC, DENIZBANK ANONIM ŞİRKETİ (Turkey), Sberbank (Switzerland) AG. Member of the Supervisory Board at SBERBANK PJSC (Ukraine), Sberbank Europe AG.

ALEXANDER YU. TORBAKHOV*Deputy Chairman of the Executive Board*

Date of Birth: August 22, 1971

Place of birth: Russian Federation

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2010

Education:

1994 – Ordzhonikidze Moscow Aviation Institute with a specialization in Gyroscopic Instruments and Systems of Orientation, Navigation, and Stabilization

1997 – Moscow State Institute of International Relations (International Economic Relations)

2005 – the University of Chicago (USA), MBA Program

Work experience:

From 2010 till present, Deputy Chairman of the Executive Board of Sberbank. Supervises the work of the Retail Business Unit.

List of other nonexecutive professional obligations:

Chairman of the Boards of Directors at Cetelem Bank LLC, Universal Electronic Card JSC, PS Yandex.Money LLC. Deputy Chairman of the Boards of Directors at Loyalty Programs Center JSC, Sberbank Real Estate Center LLC.

ALEXANDER V. BAZAROV*Senior Vice President*

Date of Birth: August 5, 1962

Place of birth: Kiev, Ukrainian SSR

Citizenship: Ukraine

Year membership on the Executive Board was attained: 2008

Education:

1984 – Shevchenko Kiev State University with a specialization in Political Economy

1987 – Postgraduate student at Shevchenko Kiev State University, Candidate of Economic Sciences

1995 – University of Pennsylvania (USA), MBA Program

Work experience:

From May 2009 to December 2012, Vice President – Director of the Major Customer Relations Department of Sberbank. From January 2013 till present, Senior Vice President. Co-manager of the CIB Unit.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Sberbank (Switzerland) AG. Member of the Supervisory Board for Sberbank PJSC (Ukraine).

NIKOLAY V. TSEKHOMSKIY*Senior Vice President – Director of Finance Department*

Date of Birth: March 21, 1974

Place of birth: Leningrad

Citizenship: Russian Federation

Year membership on the Executive Board was attained: 2013

Year Executive Board membership was terminated: 2016

Education:

1996 – Saint Petersburg State Academy of Engineering and Economics with a specialization in Economics and Management in Engineering

1999 – Saint Petersburg State Engineering and Economic Academy, PhD in Economics

Work experience:

In 2009–2011, Chairman of the Executive Board of Barclays Bank LLC. Since November 2012, advisor to the CEO of Sberbank. From January 2013 to July 2014, Vice President 2014 – Director of the Finance Department at Sberbank. From July 2014 to February 2016, Senior Vice President – Director of the Finance Department. On February 29, 2016, pursuant to the resolution of the Supervisory Board, removed from the Executive Board due to a transfer to another job.

List of other nonexecutive professional obligations:

Member of the Board of Directors at Sberbank – Automated System for Trading CJSC, Government Defense Order Automated Trading System LLC, Loyalty Programs Center JSC, Sberbank Investments LLC, Insurance Company Sberbank Life Insurance LLC, Insurance Company Sberbank Insurance LLC, Sberbank Insurance Broker LLC, Sberbank Leasing JSC, PS Yandex.Money LLC, Sberbank Real Estate Center LLC.

Information on the ownership of Bank shares by SB

	Share in the authorized capital (%)	Percentage of ordinary shares (%)	Information on the settlement of transactions with Bank shares in 2015
Herman Gref	0.0031	0.003	No transactions settled
Maxim Poletaev	0.0001	–	No transactions settled
Lev Khasis	0.0012	0.0013	Settled transaction for the sale of ordinary shares (September 29, 2015)
Oleg Ganeev	–	–	No transactions settled
Sergey Gorkov	–	–	No transactions settled
Bella Zlatkis	0.0004	0.0005	No transactions settled
Stanislav Kuznetsov	–	–	No transactions settled
Vadim Kulik	–	–	No transactions settled
Alexander Morozov	0.0014	0.0009	No transactions settled
Alexander Torbakhov	–	–	No transactions settled
Alexander Bazarov	0.0022	0.0023	No transactions settled
Nikolay Tsekhomskiy	0.00007	0.00007	No transactions settled
The cumulative percentage of Bank shares owned by SB members	0.008	0.008	

Bank Committees Accountable to the Executive Board

For the purpose of business development, Sberbank has a number of functioning collegial working bodies (committees) that report to the Executive Board of the Bank. Their objective is to address issues relating to and implement a uniform policy of various areas of operating activities.

List of collegial working bodies reporting to the Executive Board of the Bank as of December 31, 2015

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

Control and Reporting

Internal Control and Risk Management System

Internal Control System is a combination of the system of bodies and areas of internal control that ensures compliance with the procedure for meeting and implementing objectives stipulated by the laws of the Russian Federation and the constitutional and internal documents of the Bank.

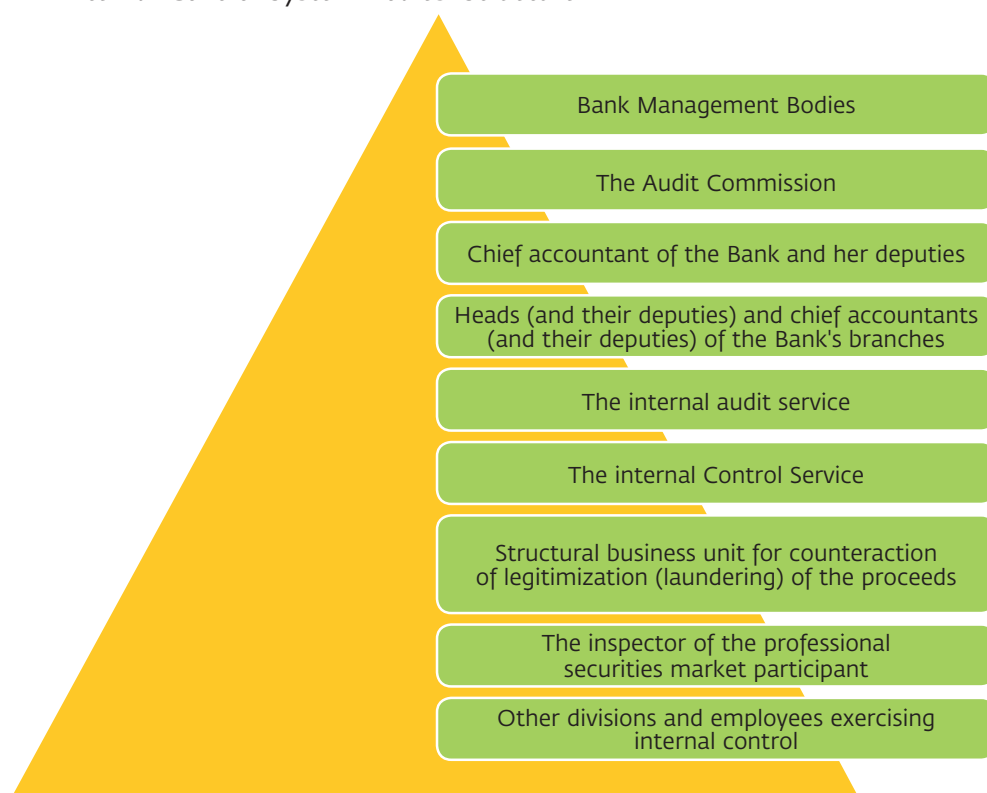
The Supervisory Board is responsible for defining the principles of and approaches to the organization of internal control and risk management systems at the Bank.

The executive bodies create and maintain the correct functioning of efficient internal control and risk management systems at the Bank, and are responsible for implementing Supervisory Board decisions in these areas.

The internal control and risk management systems of the Bank are built by using Three Lines of Defense, a model where:

- First Line is the business units responsible for the daily effective implementation of internal controls and taking ongoing measures to manage risks associated with their activities. These measures are part of the everyday activities of the business units; therefore, they ensure continuous processes for identifying, assessing, and monitoring risks.
- Second Line composes the business units of the Bank that are in charge of elaborating on and implementing the rules and procedures of internal control, determining the risk management standards, guidelines, limits, and restrictions, monitoring the risk levels, preparing reports, verifying compliance of the risk level with risk appetite, advising on, simulating, and aggregating the total risk profile.
- Third Line is the internal audit that is tasked with an independent evaluation of the effectiveness of internal control and risk management systems

Internal Control System Bodies' Structure



Risk Management Process Arrangement

The risk management system used by the Bank is based on standards and tools recommended by the Basel Committee on Banking Supervision and conforms to the requirements of the world's best practices. The main objectives of the system of integrated risk management as an integral part of the process of Bank management are the introduction of risk management standards, principles, limits, and restrictions, monitoring of the level of risk and the generation of reporting on risks, provisions for the level of assumed risks conformity to risk appetite limits, and the modeling and creation of a common risk profile.

To ensure the effective planning and control of accepted risks, the risk management functions are distributed among the Supervisory Board, the Chairman of the Executive Board, CEO, Chairman of the Board, the supervisor of the Risks Block (Head of the Risk Management Office of the Bank), specialized committees of the Executive Board, Risks Block, and other business units of the Bank and members of the Group.

The distribution of authority in the risk management system meets the requirements and recommendations of Bank of Russia and international financial institutions.

Internal Audit Office

The Internal Audit Service is intended to support the Bank's governing bodies in achieving its goals, ensuring the efficiency and high performance of the Bank's activities, and operating in compliance with the principles of a constancy of activities, independence, impartiality, fairness, objectivity, and professional competence. The Internal Audit Service is an independent structural unit that performs inspections of the entire system of internal control, is accountable to the Supervisory Board and administratively subordinate to the CEO, Chairman of the Executive Board. The Head of the Internal Audit Service is appointed to and removed from office by the Supervisory Board.

The Bank shall take the necessary measures to ensure the independence and fairness of the Internal Audit Service and the seamless and efficient performance of the Internal Audit Service's functions.

The Internal Audit Service conducts audits in all areas of the Bank's activities and monitors the effectiveness of departments and governing body measures that reduce identified risks following audit results.

Head of the Internal Audit Service provides the Supervisory Board with the Service's reports on the implementation of the yearly plan of audits as approved by the Supervisory Board and on the results of audits of the Bank for the respective periods.

Throughout 2015, according to the plan approved by the Supervisory Board and by order of the Bank's management, the units of the Internal Audit Service carried out 15.4 thousand inspections, including 58 inspections of subsidiaries. The Internal Audit Service regularly conducts independent monitoring of areas of the Bank's activities exposed to the highest level of risk. The Internal Audit Service exercises control over the elimination of violations and solutions for detected problems.

In its work, the Internal Audit Service uses the best internal audit practices, including the international fundamentals of the professional internal audit practice.

OLEG V. CHISTYAKOV*Head of the Internal Audit Service*

Year of birth 1964

Date of appointment: 2014

Education:

1986 – Ordzhonikidze Moscow Management Institute, Engineer-Economist

Work experience:

From 2009 to present, Director of the Internal Control, Inspection and Audit Administration of Sberbank.

On September 12, 2014, appointed to office as the Head of the Internal Audit Service of Sberbank.

Internal Control Service

To implement internal controls, assist the management bodies of the Bank in ensuring the compliance of the Bank's activities to the laws, regulation, and best practices, and to create and apply effective methods and mechanisms for managing the risk of losses incurred by the Bank as a result of noncompliance with the laws of the Russian Federation, internal documents of the Bank, standards of self-regulatory organizations, and/or sanctions, and/or other enforcement measures on the part of the supervisory authorities, the Bank established its Internal Controls Office that includes the aggregate of structural business units and employees of the Bank acting in accordance with the Regulations on the Internal Controls Office.

The Internal Controls Office acts in accordance with the principles of independence, continuity, objectivity, impartiality, and professional competence.

The Internal Control Service is accountable to the Supervisory Board, CEO, Chairman of the Executive Board and Executive Board of the Bank. At least once a year, the Internal Control Service provides reports on completed work to the Bank's executive bodies, and in certain cases to the Supervisory Board.

LARISA A. ZALOMIKHINA*Head of the Internal Control Service*

Year of birth: 1973

Date of appointment: 2014

Education:

1996 – Moscow Institute of Physics and Technology (MIPT), with a specialization in Applied Mathematics and Physics

Work experience:

From 2004 to December 2012, CEO of Troika Dialog Financial Broker CJSC. From December 2012 to present, Director of the Compliance Division. From September 2014, Head of Sberbank's Internal Control Service.

Risk Management Office

To manage risks, the Bank established the Risk Management Office, which is a combination of structural business units and committees of the Bank whose main function is to manage risks.

To avoid any conflict of interest, the Bank ensured the independence of business units responsible for risk management from business units engaged in operations/transactions exposed to risks.

ALEXANDER A. VEDYAKHIN*Head of the Risk Management Service*

Year of birth: 1977

Date of appointment: 2015

Education:

1999 – Volgograd State Technical University with a specialization in World Economics

2001 – PhD in Economics

2010 – Russian Presidential Academy of the National Economy and Public Administration, MBA Program "Banks"

Work experience:

From 2008 to 2012, First Deputy Chairman of the Executive Board of SBERBANK PJSC (Ukraine). From December 2012 to July 2015, Executive Director of the Risk Department, Managing Director of Sberbank's Risk Unit Administration. From June 2015 till present, Senior Vice President.

Audit Commission

The annual General Shareholders' Meeting appoints the Audit Commission to control financial and economic activity of the Bank. In accordance with the Bank's Charter, the number of members of the Audit Commission is seven. Members of the Audit Commission may not simultaneously act as members of the Supervisory Board or hold other positions in the Bank's governing bodies.

On May 29, 2015, the annual General Shareholders' Meeting of the Bank elected 3 external representatives and 4 representatives of Sberbank to the Audit Commission:

Chairman of the Audit Commission	Galina A. Golubenkova	First Deputy Director of the Internal Audit Department of the Central Bank of the Russian Federation
Member of the Audit Commission	Natalya P. Borodina	Deputy Director of the Internal Audit Department of the Central Bank of the Russian Federation
Member of the Audit Commission	Vladimir M. Volkov	Deputy Chief Accountant, Central Bank of the Russian Federation – Deputy Director of Accounting and Reporting Department
Member of the Audit Commission	Tatyana A. Domanskaya	Head of the Division for Interaction with External Controlling Authorities of the Internal Audit Department of Sberbank
Member of the Audit Commission	Yulia Yu. Isakhanova	Senior Managing Director – Head of the Financial Control Directorate of the Finance Department of Sberbank
Member of the Audit Commission	Alexey Y. Minenko	Managing Director – Deputy Chief Accountant, Deputy Director of the Accounting and Reporting Department of Sberbank
Member of the Audit Commission	Natalya V. Revina	Senior Managing Director – Director of the Integrated Risk Management Department of Sberbank

The Audit Commission performs year-end inspections (audits) of the financial and business activities of the Bank, and also at any other time as requested by the bodies and persons set forth in Federal Law No. 208-FZ dated December 26, 1995, On Joint-Stock Companies, the Charter of the Bank, and the Regulation on the Audit Commission of the Bank.

The Audit Commission evaluates the accuracy of data included in the annual report and contained in the annual accounting (financial) statements of the Bank, may call for convening an extraordinary General Shareholders' Meeting or meetings of the Bank's Supervisory Board when any breaches are revealed during the audit in financial and economic activities, or a real threat to the Bank's interests (or depositors) requires adopting resolutions on matters that fall within the cognizance of such bodies of the Bank.

Payment of remuneration to members of the Audit Commission of the Bank and the compensation of expenses connected with their participation in the operations of this control body is made in the amount and under the procedure established by the Regulations on the Audit Commission, which is an internal document of Sberbank approved by the annual General Shareholders' Meeting on June 6, 2014. For the performance of their duties, the Chairman of the Audit Commission is paid remuneration in the amount of RUB 1 million; the members of the Audit Commission, 750 thousand rubles each.

The total remuneration paid to the members of the Audit Commission in 2015 as related to their participation in Sberbank's controlling body amounted to RUB 2.5 million.

External Auditor

To check and verify the reliability of financial (accounting) statements compiled both under Russian and foreign standards, the Bank employs an independent audit organization.

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

On May 29, 2015, the annual General Shareholders' Meeting of Sberbank approved the Ernst & Young LLC audit organization as the Bank's auditor for 2015 and the first quarter of 2016. The Ernst & Young audit agreement includes the following types of operations:

- Audit of the Bank's annual accounting (financial) statements prepared in accordance with the requirements of Russian legislation for 2015
- Audit of the Bank's consolidated financial statements prepared in accordance with IFRS for 2015
- Reviews of condensed interim consolidated financial statements of the Bank for 6 and 9 months of 2015 and the first quarter of 2016 prepared in accordance with IFRS
- Audit of the Bank's interim accounting (financial) statements for 6 months of 2015 prepared in accordance with the requirements of Russian legislation

The amount of the *auditor's remuneration* was determined on a competitive basis as part of an open tender and further reflected in the audit agreement and amounted to RUB 50,150,000 (VAT 18% included).

The auditor received no special assignments from the Bank in 2014.

Remuneration for the Supervisory Board and Management

Remuneration for Members of the Supervisory Board

Remuneration of members of the Supervisory Board and the reimbursement of expenses associated with their participation in the work of the Supervisory Board will be paid in the amount and according to the procedure established by the following internal Bank document: Regulation on Remunerations and Compensations to the Members of the Supervisory Board approved by the annual General Shareholders' Meeting on May 31, 2013.

Remuneration consists of a base part (RUB 4.2 million) paid to a member of the Supervisory Board, provided that they have participated in at least half of the Supervisory Board meetings held in the billing period and additional remuneration for work in Committees (+10 percent of base remuneration), for chairing the Committees and the fulfillment of duties of a senior independent director (+20 percent of the base remuneration), and for chairing the Supervisory Board (+30 percent of the base remuneration).

The total amount of remuneration paid to members of the Supervisory Board in 2015 for their participation in the management body of the Bank was RUB 59.9 million (in 2014, RUB 53.0 million), including:

- RUB 52.76 million as base remuneration (13 persons)
- RUB 1.7 million for performing the duties of Committee chairpersons (840.0 thousand rubles to each chairman)
- RUB 5.5 million for performing the duties of Committee members (420.0 thousand rubles to each person)

Operating expenses connected with the performance of functions of board members were compensated to one member of the Supervisory Board in the amount of 35.3 thousand rubles.

Information about paying remuneration and compensating expenses in 2015 is provided for members of the Supervisory Board who expressed their consent in writing during the specified period for receiving compensation and who submitted their written requests for the compensation of expenses to the Bank.

The total sum of remuneration received by members of the Supervisory Board in 2014 for their participation in this Bank's governing body amounted to RUB 53 million:

- RUB 46.2 million as base remuneration (11 persons)
- RUB 1.7 million for performing the duties of two (2) chairpersons of the Committees (840.0 thousand rubles to each chairman)
- RUB 4.2 million for performing the duties of members of the Committees (10 persons, 420.0 thousand rubles to each person)

Operating expenses connected with the performance of functions of board members were compensated to three members of the Supervisory Board in the amount of RUB 879,000.

Information about paying remuneration and compensating expenses in 2014 is provided for members of the Supervisory Board who expressed their consent in writing in 2014 for receiving compensation and who submitted their written requests to the Bank for compensation of expenses.

Remuneration for Executive Board Members

Remuneration to the CEO, Chairman of the Board and members of the Executive Board (12 persons in total) in 2015 amounted to 2.33 billion rubles (in 2014 (13 persons), 2.86 billion rubles⁴⁰), including:

- Fixed remuneration (official salary, paid leave, payment of average earnings during business trips) in the amount of RUB 643.3 million (RUB 652.5 million in 2014)
- Variable remuneration (bonuses, remuneration based on year-end results) in 2015 amounted to RUB 1.675 billion (RUB 2.21 billion⁴¹ in 2014)
- Remuneration paid to Executive Board members for performing the functions of Supervisory Board members amounted to RUB 8.8 million (RUB 8.8 million in 2014)

⁴⁰ The 2014 report reflected the total remuneration of the Bank's CEO and Executive Board Members amounting to RUB 2.72 billion; this report indicates RUB 2.86 billion for the same period the discrepancy here is the difference between the actually paid and expected figure of the second part of annual remuneration for 2014 in the amount of RUB 0.14 billion; said payment was made in 2015.

⁴¹ The 2014 report reflected the total variable remuneration of the Bank's CEO and Executive Board Members, which amounted to RUB 2.064 billion, and this report states RUB 2.21 billion for the same period. The discrepancy here is the difference between the actually paid and expected figure of the second part of annual remuneration for 2014 in the amount of RUB 0.14 billion; said payment was made in 2015.

The amount of all payments accrued to the Members of the Executive Board includes: salaries, bonuses, payment of annual leave, sick leave, payment of average earnings during business trips, payments of a social nature, payments for years of service (in 2014), remuneration at the end of the year, remuneration for participation in the activities of the Supervisory Board, other payments established by the laws and regulations of the Bank. The annual remuneration is reflected for the period used in the performance evaluation.

The Bank's Policy for the remuneration of Executive Board members provides for a dependence of the remuneration on the results of the Bank's performance and each Board member's personal contribution to the achievement of such a result through the use of tools for regular performance evaluations through a system of balanced performance indicators. The wage structure includes fixed and variable components. Variable remuneration is directly associated with the results of the achievement and overachievement of a set of key performance indicators: individual and group; financial and nonfinancial. The basic elements of the variable component of remuneration are quarterly bonuses and remuneration depending on performance results for the year.

Since 2015, the Long-Term Remuneration Program has been in effect in the Bank. Part of the remuneration following performance results for the reporting year (40 % of the variable remuneration) is subject to three years deferral. The amount of deferred remuneration depends on the value of the Bank's shares and is subject to adjustment in case of the actualization of risks based on decisions made during the reporting year. The officers categorized by the Bank's decision as risk-taking persons shall become Program participants. The program was developed as part of the formation of a system of risk-based remuneration using a risk accounting mechanism and fully complies with the requirements of Bank of Russia for the labor remuneration system of credit institutions.

Major Transactions

During 2015, Sberbank did not carry out any transactions recognized as major transactions in accordance with the Federal Law On Joint-Stock Companies or any other transactions which are subject to major transaction approval in accordance with the Charter of Sberbank.

Related-Party Transactions

The following is the list of transactions performed by Sberbank in 2015 recognized in accordance with the Federal Law On Joint-Stock Companies as non-arm's-length transactions. All the mentioned transactions are approved by the Supervisory Board of the Bank.

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- 1 **Counterparty:** Bank of Russia
Interested parties: S. M. Ignatiev, G. I. Luntovskiy, S. A. Shvetsov, N. Y. Ivanova
Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Supervisory Board of Sberbank and also members of the Board of Directors of Bank of Russia

Raising loans from Bank of Russia under the General Credit Agreement for the Provision of Loans by Bank of Russia Secured by Assets or Sureties No. 14811140 dated February 5, 2009, within three months of 2015 (February, March, April)

The amount of funds raised from Bank of Russia each month shall not exceed RUB 360,000 million. Lending period is up to 6 months. Interest rates on loans from Bank of Russia shall be determined at the credit auctions of Bank of Russia. Other terms and conditions for providing Bank of Russia loans shall be established by the latter and published in Bank of Russia Bulletin.

The conclusion of additional agreement to the General Loan Agreement for Loans Provided by Bank of Russia and Secured with Pledge of Securities No. 14810003 dated November 30, 2003	The total credit limit for intraday and overnight loans in the bank accounts of Sberbank of Russia is set in the amount of RUB 335,000 million. A new credit limit on intraday and overnight loans is established in the amount of RUB 299,180 million with regard to Sberbank of Russia PJSC's main account.
Raising loans within the framework of the Agreement on Provision of Loans Secured by Pledge of Claims on Loans Raised for the Implementation of Investment Projects	The amount shall not exceed RUB 370,000 million.
Raising loans from Bank of Russia within the framework of Agreement on Provision of Loans Secured by Pledge of Claims under Loan Agreements No. 14814004 dated December 13, 2013	The amount shall not exceed RUB 370,000 million. Interest rates on the loans of Bank of Russia and terms of Bank of Russia's loans shall be established by Bank of Russia and published on its official website.
Raising loans from Bank of Russia within the framework of the Agreement on Provision of Loans Secured by Pledge of Claims under the Loans Provided within the Framework of Federal Target Program Development of the Military-Industrial Complex of the Russian Federation for 2011–2020	Interest rates on the loans of Bank of Russia and terms of Bank of Russia's loans shall be established by Bank of Russia and published on its official website.
Raising loans from Bank of Russia within the framework of the Agreement on Provision of Loans Secured by Pledge of Claims under the Loans Provided within the Framework of Federal Target Program Development of the Military-Industrial Complex of the Russian Federation for 2011–2020	The amount shall not exceed RUB 200,000 million. Interest rates on the loans of Bank of Russia and terms of Bank of Russia's loans shall be established by Bank of Russia and published on its official website.
Raising loans from Bank of Russia under the General Credit Agreement for Provision of Loans by Bank of Russia Secured by Assets or Sureties No. 14811140 dated February 5, 2009, within three months of 2015 (May, June, July)	The amount of funds raised from Bank of Russia in each month shall not exceed RUB 400,000 million. Lending period is up to 6 months. Interest rates on loans from Bank of Russia shall be determined at the credit auctions of Bank of Russia. Other terms and conditions for providing Bank of Russia loans shall be established by the latter and published in Bank of Russia Bulletin.
Raising loans from Bank of Russia under the General Credit Agreement for Provision of Loans by Bank of Russia Secured by Assets or Sureties No. 14811140 dated February 5, 2009, within three months of 2015 (May, June, July)	The amount of funds raised from Bank of Russia in each month shall not exceed RUB 400,000 million. Lending period is 6 months and more. Interest rates on loans from Bank of Russia shall be determined at the credit auctions of Bank of Russia. Other terms and conditions for providing Bank of Russia loans shall be established by the latter and published in Bank of Russia Bulletin.
2 Counterparty: Bank of Russia Interested parties: S. M. Ignatiev, G. I. Luntovskiy, S. A. Shvetsov, D. V. Tulin, N. Yu. Ivanova Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Supervisory Board of Sberbank and are also members of the Board of Directors of Bank of Russia	
The conclusion of a general loan agreement for foreign currency loans provided by Bank of Russia secured by pledge of claims under foreign currency loans	Contains no financial obligations of the parties.

Raising euro loans from Bank of Russia within the framework of the General Loan Agreement for Foreign Currency Loans Provided by Bank of Russia Secured by Pledge of Claims under Foreign Currency Loans No. 1481B001 dated January 16, 2015	The amount shall not exceed EUR 6,000 million. Lending terms and conditions will be set by Bank of Russia and published on the official website of Bank of Russia.
Raising USD loans from Bank of Russia within the framework of the General Loan Agreement for Foreign Currency Loans Provided by Bank of Russia Secured by Pledge of Claims under Foreign Currency Loans No. 481B001 dated January 16, 2015	The amount shall not exceed USD 6,500 million. The lending terms and conditions will be set by Bank of Russia and published on the official website of Bank of Russia.
Raising loans from Bank of Russia under the General Loan Agreement for Provision of Loans by Bank of Russia Secured by Assets or Sureties No. 14811140 dated February 5, 2009, within three months of 2015 (August, September, October)	The amount of funds raised from Bank of Russia in each month shall not exceed RUB 390,000 million. Lending period is up to 6 months. Interest rates on loans from Bank of Russia shall be determined at the credit auctions of Bank of Russia. Other terms and conditions for providing Bank of Russia loans shall be established by the latter and published in Bank of Russia Bulletin.
Raising loans from Bank of Russia under the General Loan Agreement for Provision of Loans by Bank of Russia Secured by Assets or Sureties No. 14811140 dated February 5, 2009, within November and December of 2015 and January of 2016	The amount of funds raised from Bank of Russia in each month shall not exceed RUB 400,000 million. Lending period is up to 6 months. Interest rates on loans from Bank of Russia shall be determined at the credit auctions of Bank of Russia. Other terms and conditions for providing Bank of Russia loans shall be established by the latter and published in Bank of Russia Bulletin.
3 Counterparty: SB of Sberbank JSC (The Republic of Kazakhstan) Interested parties: S. Gorkov Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank S. N. Gorkov is at the same time the Chairperson of the Supervisory Board of a Subsidiary Bank of Sberbank JSC (Republic of Kazakhstan)	
Determining the conditions and procedure for the parties to conversion transactions and transactions with financial derivatives and the procedure for fulfilling obligations under them, as well as the responsibility of the parties for proper fulfillment of obligations under the General Agreement on Fixed-Term Transactions on the Financial Markets	The General Agreement on Forward Transactions in the Financial Markets currently being concluded is subject to the provisions of the Model terms of the agreement and standard terms and conditions for the relevant type of transactions approved and published on the Internet on the web pages of the Association of Russian Banks, the National Foreign Exchange Association, and the National Association of Securities Market Participants.
Conversion transactions and transactions with financial derivatives	The amount is RUB 47,500 million.
4 Counterparty: Sberbank PJSC (Ukraine) Interested parties: H. O. Gref, S. N. Gorkov, A. V. Morozov, A. V. Bazarov Ground to recognize the persons as being interested in the transaction: members of the Executive Board of Sberbank H. O. Gref, S. N. Gorkov, A. V. Morozov, A. V. Bazarov are at the same time members of the Supervisory Board of Sberbank PJSC (Ukraine)	
Termination of the Agreement for Raising Funds under Conditions of a Subordinated Debt dated April 14, 2009	Amount: USD 40 million Term: 10 years
Termination of the Agreement for Raising Funds under Conditions of a Subordinated Debt dated October 18, 2013	Amount: USD 60 million Term: 7 years

	Termination of the Agreement for Raising Funds under Conditions of a Subordinated Debt dated September 22, 2014	Amount: USD 100 million Term: 7 years
	Purchase by Sberbank of ordinary registered shares of the additional issue of Sberbank PJSC (Ukraine)	Amount: UAH 4,780 million
5	Counterparty: JSC BPS Sberbank (Republic of Belarus) Interested parties: S. Gorkov Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank S. N. Gorkov is at the same time Deputy Chairperson of the Supervisory Board of BPS-Sberbank PJSC (Republic of Belarus)	
	Extension of term of the loan under the Long-term Subordinated Loan Agreement dated December 28, 2011, up to December 28, 2022	Amount: EUR 40 million Term: 11 years
	Extension of the loan term under the Long-term Subordinated Loan Agreement dated October 25, 2013, through October 25, 2022	Amount: EUR 10 million Term: 9 years
6	Counterparty: Denizbank A.S. Interested parties: H. O. Gref, S. N. Gorkov, V. V. Kulik, D. A. Bugrov, A. V. Morozov Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Board of Directors of Denizbank A.S. and members of Executive Board of Sberbank	
	Purchase by Sberbank of Russia of Denizbank A.S. registered shares of the additional issue	Amount: TRY 549 million
	Purchase by Sberbank of Russia of Denizbank A.S. of registered shares of the additional issue failed to be purchased by other Denizbank A.S. shareholders within the framework of their exercise of the preemptive right to purchase such shares and failed to be sold at the Istanbul Stock Exchange in due time	Amount: market price determined in Turkish liras in accordance with the Regulations of the Istanbul Stock Exchange and Turkish law.
	The provision of uncompensated funds of Sberbank of Russia to Denizbank A.S. for the purpose of paying for services rendered by EY Turkey companies under Tax Certification Services.	Amount: TRY 363,825
7	Counterparty: Denizbank A.S. Interested parties: H. O. Gref, S. N. Gorkov, V. V. Kulik, A. V. Morozov Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Board of Directors of Denizbank A.S. and members of Executive Board of Sberbank	
	Future contractual obligation of Sberbank of Russia to purchase and pay for Denizbank A.S. registered shares of additional issue	Amount: TRY 549 million
	Provision to Denizbank A.S. of funds held in Sberbank of Russia nostro accounts as pledge in order to pay for Denizbank A.S. registered shares of additional issue	Amount: TRY 550 million
	Purchase by Sberbank of Denizbank A.S. registered shares of the additional issue	Amount: TRY 749 million
	Purchase by Sberbank of Denizbank A.S. registered shares of additional issue failed to be purchased by other Denizbank A.S. shareholders within the framework of the exercise of their preemptive right to purchase such shares and failed to be sold at the Istanbul Stock Exchange in due time	Amount: market price determined in the Turkish liras in accordance with the Istanbul Stock Exchange Regulations.

8	Counterparty: Sberbank (Switzerland) AG Interested parties: A. V. Bazarov, A. V. Morozov Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Board of Directors of Sberbank (Switzerland) AG and members of the Executive Board of Sberbank
Changing terms and conditions of the agreement of funded participation for the acquisition from Sberbank (Switzerland) AG of risk under the agreement of funded participation entered into between Sberbank (Switzerland) AG and EBRD.	Amount for the Supplementary agreement No. 1: RUB 3,150 million, term: up to June 9, 2021 Amount for the Supplementary agreement No. 2: RUB 1,584 million, term: up to July 14, 2021
9	Counterparty: Sberbank Europe AG Interested parties: S. N. Gorkov, D. A. Bugrov, A. V. Morozov, M. V. Poletaev, V. V. Kulik Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Board of Directors of Sberbank Europe AG and members of the Executive Board of Sberbank
Opening nostro USD correspondent account in the name of Sberbank of Russia with Sberbank Europe AG	The transaction price is determined in accordance with the Account Management Rates and Terms established by Sberbank Europe AG.
Opening nostro EUR correspondent account in the name of Sberbank of Russia with Sberbank Europe AG	The transaction price is determined in accordance with the Account Management Rates and Terms established by Sberbank Europe AG
Opening and managing loro CHF correspondent accounts in the name of Sberbank Europe AG with Sberbank of Russia	The price of the transaction is determined in accordance with the account-keeping rates for nonresident banks in foreign currency established by Sberbank of Russia.
10	Counterparty: Sberbank Europe AG Interested parties: S. N. Gorkov, A. V. Morozov, M. V. Poletaev, V. V. Kulik Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Board of Directors of Sberbank Europe AG and members of the Executive Board of Sberbank
Purchase by Sberbank of Russia of the Sberbank Europe AG ordinary shares of additional issue	Amount: EUR 85 million
Sberbank of Russia provision of subordinated loan to Sberbank Europe AG	Amount: max EUR 90 million
Sberbank provision of subordinated loan to Sberbank Europe AG	Amount: max EUR 30 million Term: 10 years
Purchase by Sberbank of the Sberbank Europe AG ordinary shares of additional issue	Amount: EUR 55 million
Purchase by Sberbank of the Sberbank Europe AG ordinary shares of additional issue	Amount: EUR 100 million
Sberbank transfer to Sberbank Europe AG of the rights of claim based on the agreement for a subordinated loan granted to a subsidiary dated December 19, 2012	Amount: EUR 250 million
Sberbank transfer to Sberbank Europe AG of the rights of claim based on the agreement for a subordinated loan granted to a subsidiary dated April 15, 2015	Amount: EUR 90 million
Sberbank transfer to Sberbank Europe AG of the rights of claim based on the agreement for a subordinated loan granted to a subsidiary dated December 17, 2015	Amount: EUR 30 million
Purchase by Sberbank of the Sberbank Europe AG ordinary shares of additional issue	Amount: EUR 370 million

11	<p>Counterparty: Sberbank CIB CJSC Interested parties: M. Poletaev Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank M. V. Poletaev is at the same time a Member of the Board of Directors of Sberbank CIB CJSC</p>
<p>Providing Sberbank CIB CJSC with services for organization and technical underwriting within the framework of the Exchange-Traded Bond Program, including the provision of consulting services for cooperation with infrastructure institutions, the preparation of drafts of the necessary documents, and marketing and placement of Exchange-Traded Bonds</p>	<p>Amount: RUB 4 million</p>
<p>Conclusion of Supplementary Agreement No. 3 to loan agreement No. 2076 dated April 18, 2013, and Supplementary Agreement No. 4 to loan agreement No. 5476 dated December 2, 2011</p>	<p>The amount under Supplementary Agreement No. 3: RUB 432 million The amount under Supplementary Agreement No. 4: RUB 216 million Term: before 01.05.2015</p>
<p>Provision of services for the organization of issue and the placement of Issuer's exchange-traded bonds, including consulting services and technical underwriting services</p>	<p>Amount: max RUB 2 million</p>
12	<p>Counterparty: Sberbank CIB CJSC, UEC OJSC Interested parties: M. Poletaev, A. Yu. Torbakhov Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank M. V. Poletaev is at the same time the Chairperson of the Board of Directors of Sberbank CIB CJSC and a member of the Executive Board of Sberbank, A. Yu. Torbakhov is at the same time the Chairperson of the Board of Directors of UEC OJSC</p>
<p>Sberbank CIB CJSC undertakes to transfer the ownership, and Sberbank of Russia OJSC undertakes to accept and pay for ordinary registered uncertified shares of UEC OJSC</p>	<p>Amount: RUB 324 million</p>
13	<p>Counterparty: Sberbank Leasing JSC Interested parties: V. V. Kulik, N. V. Tsekhomskiy Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Board of Directors of Sberbank Leasing CJSC and members of Executive Board of Sberbank</p>
<p>Opening a nonrevolving framework facility to finance Sberbank Leasing JSC expenditures connected with the purchase of lease objects for the purpose of subsequent leasing-based transfer to Irkut Corporation PSJC under a leasing agreement</p>	<p>Amount: RUB 3,510 million Term: max 107 months from the date of conclusion of the Agreement</p>
<p>Opening a nonrevolving framework facility to finance the Sberbank Leasing JSC expenditures connected with the lease objects purchase for the purpose of subsequent leasing-based transfer to Irkut Corporation PSJC under a leasing agreement</p>	<p>Amount: USD 55 million Term: max 107 months from the date of conclusion of the Agreement</p>
<p>Opening a nonrevolving framework facility to finance the Sberbank Leasing JSC expenditures connected with the lease objects purchase for the purpose of subsequent leasing-based transfer to Irkut Corporation PSJC under a leasing agreement</p>	<p>Amount: RUB 2,612 million Term: max 92 months from the date of conclusion of the Agreement</p>
<p>Opening nonrevolving framework facility to finance the expenditures of Sberbank Leasing JSC connected with the lease objects purchase for subsequent leasing-based transfer to Irkut Corporation PSJC under a leasing agreement</p>	<p>Amount: USD 22 million Term: max 92 months from the date of conclusion of the Agreement</p>

14	Counterparty: Federal State Autonomous Educational Institution of Higher Professional Education NRU Higher School of Economics Interested parties: H. Gref Ground to recognize the persons as being interested in the transaction: CEO, member of the Executive Board of Sberbank H. O. Gref is at the same time a member of the Supervisory Board of NIU HSE	
	Sberbank's obligation to provide guarantees to Beneficiaries for the execution of NIU HSE obligations under agreement/contract, as well as tender guarantees during the period of validity and within the limit as set forth in the Agreement	Amount: max RUB 440 million
15	Counterparty: National Settlement Depository Interested parties: B. I. Zlatkis Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank B. I. Zlatkis is at the same time a member of the Supervisory Board of National Settlement Depository NCO CJSC	
	Opening, managing nostro EUR correspondent account No. 30109978400000000179	The transaction price shall be determined by the rates of National Settlement Depository on remittance services and related services.
16	Counterparty: UEC OJSC Interested parties: A. Yu. Torbakhov Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank A. Yu. Torbakhov is at the same time the chairperson of the Board of Directors of UEC OJSC	
	Opening a nonrevolving facility and providing a loan for purposes agreed upon with Sberbank of Russia	Amount: RUB 860 million Term: February 16, 2015, to November 15, 2015
	Opening a nonrevolving facility and providing a loan for purposes agreed upon with Sberbank of Russia	Amount: RUB 250 million Term: from February 16, 2015, to November 15, 2015
	Provision of loans to UEC OJSC	Amount: max RUB 1,010 million Term: max 9 months
	Purchase by Sberbank of Russia from UEC OJSC of ordinary registered uncertified shares of UEC OJSC.	Amount: max RUB 1,850 million The term is defined by a resolution on the placement of shares with due regard to the requirements of law.
	Supplementary Agreement No. 1 dated June 22, 2015, to Nonrevolving Facility Agreement No. 2491 dated February 16, 2015	Amount: RUB 860 million
	Supplementary Agreement No. 1 dated June 22, 2015, to Nonrevolving Facility Agreement No. 2492 dated February 16, 2015	Amount: RUB 250 million
17	Counterparty: UEC OJSC, SUE MO MOSTRANSVTO Interested parties: A. Yu. Torbakhov Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank A. Yu. Torbakhov is at the same time the chairperson of the Board of Directors of UEC OJSC	
	Bank guarantee provided to Sberbank of Russia as security for obligations	Amount: RUB 1,010 million Term: before January 30, 2017
	Sberbank of Russia OJSC liability to pay to SUE MO MOSSTRANSVTO, at its first written request, any amount up to the amount of the Guarantee as an execution of UEC JSC liabilities	Amount: RUB 1,010 million Term: before January 30, 2017
18	Counterparty: State Corporation Bank for Development and Foreign Economic Affairs (Vneshekonombank) Interested parties: A. G. Siluanov Ground to recognize the persons as being interested in the transaction: member of the Supervisory Board of Sberbank A. G. Siluanov is at the same time a member of the Supervisory Board of the Bank for Development and Foreign Economic Affairs State Corporation	

	Sberbank of Russia assigns, and Vnesheconombank assumes all the rights belonging to Sberbank of Russia under Loan agreement No. 1/2010/K dated March 21, 2011, with due regard to the Agreement on Fee Payment Procedure dated March 21, 2011	The amount of assigned rights is equal to the balance of debt on the assigned rights as of the time the agreement on the assignment of rights is concluded.
19	Counterparty: Sberbank AST CJSC Interested parties: L. A. Khasis, S. K. Kuznetsov, N. V. Tsekhomskiy Ground to recognize the persons as being interested in the transaction: all listed persons are members of the Board of Directors of Sberbank-AST CJSC and members of the Executive Board of Sberbank	
	Early termination of General Service Agreement No. 23-03-2011 dated March 23, 2011, for Sberbank's procurement procedures on the electronic trading platform and the publication of information on nonelectronic procedures	The agreement for termination enters into force from the moment the first General Service Agreement is entered into between Sberbank and Sberbank AST CJSC.
	Conclusion of the General Service Agreement between Sberbank and Sberbank AST CJSC	Amount: max RUB 209 million
20	Counterparty: Krasnaya Polyana OJSC Interested parties: S. K. Kuznetsov Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank S. K. Kuznetsov is at the same time the chairperson of the Board of Directors of Krasnaya Polyana NJSC	
	Clarification of the amount of services provided by Krasnaya Polyana NJSC under Agreement No. 1310 dated October 30, 2014, without changing their cost, and the provision by Sberbank of additional services for the placement of the Bank's advertising and informational materials within the Gornaya Karusel Sports and Tourist Complex	Amount: RUB 186 million Term: September 1, 2015, to December 31, 2024
21	Counterparty: RAD OJSC Interested parties: M. V. Poletaev Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank M. V. Poletaev is at the same time the chairperson of the Board of Directors of RAD OJSC	
	Purchase by Sberbank of the RAD OJSC ordinary registered uncertificated shares placed by closed subscription in accordance with Resolution of the General Shareholders' Meeting of RAD OJSC on Additional Issue of Ordinary Uncertificated Shares dated August 21, 2015	Amount: RUB 4 million Payment is made during 90 days from registration of additional issue of shares.
22	Counterparty: Sberbank Capital LLC Interested parties: M. V. Poletaev Ground to recognize the persons as being interested in the transaction: member of the Executive Board of Sberbank M. V. Poletaev is at the same time the chairperson of the Board of Directors of Sberbank Capital LLC	
	Sberbank of Russia OJSC undertakes to open a nonrevolving facility to Sberbank Capital LLC for financing current operations	Amount: RUB 3,067 million Term: 4 years
	Sberbank undertakes to open a nonrevolving facility to Sberbank Capital LLC for financing expenditure relating to the Tsarev sad project	Amount: RUB 8,982 million Term: before February 28, 2018

Corporate Governance System Evaluation

Sberbank, even before the formalization of Russian corporate governance standards, began to introduce independent directors to the Supervisory Board, built a system of internal control, effectively distributed competences between the governing bodies, formed the Bank's Development Strategy for the Medium Term, sought to provide shareholders with the most comfortable conditions for participation in the shareholders' meetings and the opportunity to receive annual dividends on placed shares, put into practice international accounting standards, observed the principle of maximum transparency and openness of its activities for shareholders, investors, and other interested parties. One of the incentives for the development of standards and practices of corporate governance was a 1997 release of Sberbank's shares to the organized Russian stock market, which were already included in the First Level Quotation List at that time.

In June 2002, General Shareholders' Meeting of Sberbank approved first Sberbank's Corporate Governance Code, which implied the Bank's transition to a higher level of development of the existing corporate relations.

Sberbank, when implementing its mission (providing banking services of high quality and reliability, ensuring sustainable functioning of the Russian banking system, preserving household deposits and their investing in the real sector of the Russian economy), strictly followed the principles laid down in its own Code and at the same time improved some of its components in accordance with the best practices.

In 2014, after Bank of Russia approval of the new Corporate Governance Code recommended for application by joint-stock companies, the inclusion of Sberbank at the suggestion of the Ministry of Economic Development of Russia (Order of the First Deputy Prime Minister of the Russian Federation I. I. Shuvalov No. ISh-P13-5859 dated July 31, 2014) into the list of 13 state-owned companies that should implement provisions of the new Corporate Governance Code as a priority, Sberbank held a comprehensive assessment of all the components of the corporate governance system for compliance with the recommendations of the Corporate Governance Code of Bank of Russia, the Basel Committee on Banking Supervision, as well as to the requirements of the MICEX Stock Exchange JSC Listing Rules to the issuer's corporate governance.

During the process of analysis all Code recommendations were divided into several groups:

- Those that Banks observes in full (more that 2/3 recommendations)
- Those being necessary for implementation
- Open-ended questions that require the preparation of proposals/additional discussion about the possibility of their implementation (due to specifics of the Bank's activity)

There have been defined central components of effective corporate governance with appropriate proposals for their implementation in the Bank's processes formulated.

The following instruments of implementation have been defined:

- Charter and internal documents of the Bank;
- Detailed plan for the implementation of the Code provisions (Bank's roadmap)

A key role was assigned to the development of an updated version of Sberbank's Corporate Governance Code, which creation is primarily aimed at the aspiration to describe the current system of corporate governance and establish a mechanism for its further improvement for the purpose of ensuring the rights and legitimate interests of shareholders, increasing the business efficiency, increasing the transparency and investment attractiveness of the Bank, preserving and enhancement of equity capital.

Sberbank's Corporate Governance Code was approved by the Supervisory Board on April 20, 2015.

For Sberbank, the commitment to ethical standards is also important, which constitutes part of the Bank's corporate culture.

To establish common standards for Sberbank Group in the field of ethics and business conduct, on October 29, 2015, the Supervisory Board approved a new Sberbank Group's Code of Corporate Ethics containing the most important rules and business principles: faithful work performance, respectful attitude toward customers and colleagues, strict adherence to safety rules, intolerance of corruption.

The Code provisions take into account the requirements of Russian and international law, the recommendations of the Basel Committee on Banking Supervision, and the best practices in the field of corporate ethics.

The Code is mandatory for all employees and members of the Bank's management bodies. Besides, the Code applies to all companies of Sberbank Group, regardless of their location.

Additional responsibility shall be allocated to the Bank's executives. Executives of all levels need to show adherence to the principles of ethics by personal example and to maintain a culture of behavior enabling employees to know and understand their responsibilities and inform freely about their doubts and problems.

Authorized Capital

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

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

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

Sberbank Shareholders Structure

Category of shareholders	Share in the authorized capital as of the shareholders register closing date	
	2014 (end of operating day April 17, 2014*)	2015 (end of operating day April 20, 2015*)
Bank of Russia	50.0% + 1 share	50.0 + 1 share
Nonresident Corporate Investors	43.52%	43.26%
Resident Corporate Investors	2.52%	2.83%
Private Investors	3.96%	3.91%

*Indicates date of record for the list of persons entitled to participate in the annual General Shareholders' Meeting.

Cost of shares and market capitalization of Sberbank

	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Ordinary share (MICEX), RUB per share	101.3	54.9
Preferred share (MICEX), RUB per share	76.5	37.7
MICEX Index, p.	1,761	1,397
RTS Index, p.	757	791
Market capitalization including preferred shares, billion million	30.8	21.9

Source: Bloomberg.

Since the beginning of 2015, the price for Sberbank's shares has been recovering to a local minimum of the end of 2014 caused by the sharp decline in oil prices and currency crisis. During the year 2015, the Sberbank ordinary shares had been mostly outpacing the MICEX index. Following the results of the year, their quotes have increased by 84.4%. Strong growth in the beginning of the year was largely associated with the low base effect as the banking sector suffered more than others in December 2014 and with the de-escalation of political tensions in the external relations of Russia. August–September has witnessed inflow of funds to emerging markets against the backdrop of a soft monetary policy pursued by the Chinese regulator and the ECB and the postponed deadlines for raising the US Fed interest rate. In the fourth quarter, despite the continuing decline of oil prices and the weakening of the ruble, increased interest was on the part foreign investors for Sberbank shares against the background of improvement of earnings expectations.

Sberbank shares still remain the most liquid on the Russian trading platforms: therefore, trading volume of ordinary and preferred shares of Sberbank on the MICEX in 2015 amounted to more than RUB 2.5 trillion, which makes around 30% of the total trading volume on the MICEX and is comparable with a total trading volume of the largest Russian "blue chips" (Gazprom, Lukoil and Rosset).

Dividends Report

<i>Dividends</i>	<i>in 2010 for 2009</i>	<i>in 2011 for 2010</i>	<i>in 2012 for 2011</i>	<i>in 2013 for 2012</i>	<i>in 2014 for 2013</i>	<i>in 2015 for 2014</i>
The amount of dividends declared on all ordinary and preferred shares, RUB million	2,177	21,010	47,491	58,678	72,278	10,164
The amount of actually paid out dividends on all ordinary and preferred shares, RUB million	2,177	21,010	47,491	58,471	72,033	10,129
Reason for nonpayment of declared dividends—incorrect payment details of shareholders.						
Amount of dividends per on ordinary share, RUB	0.08	0.92	2.08	2.57	3.20	0.45
Amount of dividends per on preferred share, RUB	0.45	1.15	2.59	3.20	3.20	0.45
Dividends as % from net profit under IFRS	*	*	15.0 %	16.9 %	20.0 %	3.5 %
Dividends as % from net profit under RAS	10.0 %	12.1 %	*	*	*	*
Declared on	June 4, 2010	June 3, 2011	June 1, 2012	May 31, 2013	June 6, 2014	May 29, 2015
Date of actual payment	July 5, 2010**	July 4, 2011**	July 2, 2012**	July 1, 2013**	July 1, 2014; July 22, 2014***	June 29, 2015; July 20, 2015***

*Sberbank has begun to calculate dividend payments as a percentage of the net profit attributable to shareholders and is defined on the basis of the Bank's annual consolidated IFRS financial statements beginning from dividends following the results of 2011 according to Sberbank's Dividend Policy.

**Dividends are paid within 30 days from the date of resolution on payment thereof.

***The dividends to nominal holders and trustees that are professional participants in the securities market and registered in the register of shareholders are paid within 10 working days, to other persons registered in the register of shareholders, within 25 working days from the record date used to determine the persons entitled to receive the dividends.

The issue of the dividend payment for 2015 will be considered at a meeting of the Supervisory Board of the Bank. Then, the total amount of profit to be distributed and the amount of dividends per 1 share of each category will be recommended to the General Shareholders' Meeting for approval. Notice of this will be posted in accordance with the Russian laws on Sberbank's website at www.sberbank.com.

Regulations on the Dividend Policy approved by the Supervisory Board of the Bank on March 20, 2015, is placed on the official website of Sberbank www.sberbank.com.

Interaction with Shareholders and Investors

Committee for Interaction with Minority Shareholders

To maintain interaction with minority shareholders, Sberbank keeps operation of the Committee for Interaction with Minority Shareholders presided by A. V. Danilov-Danilyan. In 2015, the Committee was in the process of getting familiarized with the individual business units' activities and aspects of corporate governance.

At the meetings of the Committee held in Moscow, there have been heard the reports and presentations on the development of corporate and retail units, on the development and improvement of Compliance Division, on the financial results of the bank's activities. Particular attention has been paid to the issues of corporate governance – the new version of the Bank's Corporate Governance Code, the dividend policy, and the Supervisory Board's activities. The final meeting of the Committee was held in 2015 in Sberbank Corporate University with the participation of member of the Supervisory Board G. D. Melikyan.

Within the framework of the Committee's regional work, there has been arranged a meeting in the Far Eastern Regional Bank covering more than 200 shareholders in the region.

Interaction with Institutional Investors

In 2015, Investors Department realized annual plan of the schedule for cooperation with investors, as a result of which the Sberbank team:

- held 245 "1-to-1" meetings and 32 group meetings;
- attended 16 investment conferences (1-to-1 meetings, group meetings);
- held more than 50 calls with institutional investors;
- 4 specialized roadshows in the UAE, Asia, the US, and the UK;
- Investor Day in London.

It was managed to cover more than 350 funds and 790 Portfolio Managers for a year.

Investors Department has conducted an annual review of Sberbank perception by leading international investors and analysts since 2011. The results of review show a continuous improvement of financial communications, disclosure, presentation materials, and increased access to, and awareness of the Bank's management in the investment community, which has a positive impact on the investment history. Following the results of review, a plan is developed in terms of further improvement of information disclosure and enhancement of the Bank's investment attractiveness.

Development of Corporate Governance of the Bank

In 2015, the Bank paid special attention to improving its system of internal corporate and external communications and the development of corporate traditions.

For the second time, the Bank held the *Conference on Sberbank Group* corporate governance, which was organized with the participation of the Association of Independent Directors (Russia), the Institute of Directors (Great Britain), and the Transparency-International – Russia Center.

Members of the Supervisory Board, the Executive Board, directors of departments, CEOs of subsidiaries of Sberbank Group, representatives of Bank of Russia took part in the Conference. Leading Russian and foreign experts in the field of corporate governance and representatives of Sberbank spoke at the Conference.

The program of the Conference included complex issues on Ethics and Business Conduct, development of corporate culture of companies, Russian and international practices in this field, and topical issues on corporate governance practices (new recommendations of the Basel Committee on Banking Supervision on fundamentals of credit institutions corporate governance; a role of the Board of directors in management of multinational companies and companies with subsidiaries multidivisional structure; issues in strategic planning, organization of corporate governance in public and nonpublic companies, holdings; plans on further development of corporate governance in Sberbank).

Also, for the second time, Sberbank was a strategic partner and an active member in annual events related to corporate governance, including the V All-Russian Corporate Governance Forum, and the X Anniversary National Award for *"Director of the Year"*. The event organizers have traditionally been the Association of Independent Directors and the Russian Union of Industrialists and Entrepreneurs in cooperation with the audit company PwC and Moscow Stock.

The National Award for *"Director of the Year"* started in 2006 and is intended to acknowledge the personal contribution of directors to the development of corporate governance. Winners and holders of the Award are determined by an Expert Council comprised of representatives of regulators, business and investment communities, and Award winners from previous years.

A special session on corporate governance titled *"Improving Management Efficiency and the Investment Appeal of Russian Companies"* was held as part of the Forum supported by Sberbank.

Sberbank for "Director of the Year"

2013: B. Zlatkis, Deputy Chairman of the Executive Board of Sberbank, won the *"Executive Board Chairman"* category (as Chairman of the Supervisory Board of NSD CJSC)

2014: V. Mau, Independent Director of the Supervisory Board of Sberbank, won in the *"Independent Director"* category

2015: N. Wells, Independent Director of the Supervisory Board of Sberbank, won the *"Independent Director"* category

Statement on Compliance with the Corporate Governance Code

Being a public company, Sberbank the shares of which are freely traded on the Moscow Stock followed the principles and recommendations of the Corporate Governance Code of Bank of Russia in 2015.

The Recommendations for the Preparation of the Report on Compliance with the Principles and Recommendations set forth in the Corporate Governance Code (appendix to Bank of Russia letter No. In-06-52/8 dated February 17, 2016) were used as a methodology in accordance where-with the Bank assessed its compliance with corporate governance principles.

Read the Report on Compliance with the Corporate Governance Code of Bank of Russia on page 119.

Bank Corporate Governance System Improvement Plans

Reform of Corporate Actions

The reformation of processes carried out by the Bank related to rights vested in shares (corporate activities) exercised by its shareholders by means of its unification, the implementation of electronic procedures, cascade usage, replacement of paperwork with e-documents to provide available, secure, and transparent conditions for shareholders to exercise their rights, mitigate risks, and reduce the costs of the Bank. The new system of conducting corporate measures will be based on accepted modern international standards.

Implementing Sberbank Group's Code of Ethics

A key aspect of proper corporate governance is a strong corporate culture that allows the carrying out of respective standards, employee encouragement, and responsible behavior. Based on this knowledge, the Bank plans to implement a new Code of Ethics on the foundation of its mission and values, and intended to guarantee fair and just relations with colleagues, clients, partners, and investors, and to comply with the laws and internal policies of the Bank.

The cascading of the Bank's corporate governance standards and corporate ethics for controlled companies

The Bank aims at the balanced development of its controlled companies, so it strives to implement modern standards of corporate governance and ethics into its practices. The implementation of such standards will be carried out taking into account the nature, scale, and complications of risks that controlled companies are subject to.

In the short term, the Bank plans to develop and implement new IT solutions in the activities of collegial bodies, create an automated platform for the corporate relations of Sberbank Group, formalize procedures for the nomination and succession of members of the Supervisory Board, and approve and implement the Bank's new information policy.

Sberbank in Biddings of the Moscow Stock Market's Annual Reports:

- 2010: 2nd place in nomination "The Best Information Disclosure in an Annual Report by Companies with Capitalization more than RUB 100 Billion"
- 2011: 3rd place in the nomination for "Best Information Disclosure in an Annual Report by Companies with Capitalization of more than RUB 100 Billion", also the winner for "Best Interactive Report"
- 2013: winner of "Best Annual Report of the Financial Sector of the Economy"

**CEO,
Chairman of the Executive Board of Sberbank**

H. Gref

Appendix

REPORT on Compliance with the Principles and Recommendations of the Corporate Governance Code

This Report on compliance with the principles and recommendations of the Corporate Governance Code was reviewed by Sberbank's Supervisory Board at the meeting held on April 12, 2015, Minutes No. 16.

The Board of Directors confirms that the information presented in this Report contains complete and reliable information regarding the company's compliance with the Corporate Governance Code principles and recommendations for 2015.

No.	Corporate Governance Principles	Criteria for assessing compliance with corporate governance principles	Status <1> compliance with corporate governance principles	Explanations <2> deviations from the criteria for assessing compliance with corporate governance principles
1.1	The company shall provide for equal and fair treatment toward all the shareholders when exercising their right to participate in the company's management.			
1.1.1	The Company creates the most favorable conditions for shareholder participation in the General Meeting and conditions for working out an evidence-based position on General Meeting agenda items, coordinating their activities, and the opportunity to express their views on the issues under consideration.	1. There exists a publicly available internal document of the company approved by the General Shareholders' Meeting and regulating the procedures for holding the General Meeting. 2. The Company provides an accessible way to communicate with the company, such as a hot line, e-mail or forum on the Internet, that allows shareholders to express their opinions and send in questions regarding the agenda during the preparation process for holding the General Meeting. Said steps were taken by the company before each General Meeting held in the reporting period.	complied partially complied not complied	
1.1.2	The procedure for the communication on holding the General Meeting and for the provision of materials to the General Meeting gives shareholders the opportunity to properly prepare for their participation in it.	1. The communication on holding a General Shareholders' Meeting is posted (published) on the website not later than 30 days before the date of the General Meeting. 2. The communication on holding the Meeting specifies the location of the meeting and the documents required for admission into the building. 3. Shareholders were provided access to information about who proposed agenda items and who proposed nominees to the Board of Directors and Audit Commission of the company.	complied partially complied not complied	

1.1.3	During the course of preparation and the actual General Meeting, shareholders were able to freely and timely receive information about the meeting and its related materials, ask questions to the executive bodies and members of the Board of Directors of the company, and communicate with each other.	<ol style="list-style-type: none"> During the reporting period shareholders were given the opportunity to ask questions to members of the executive bodies and to members of the Board of Directors of the company before and during the annual General Meeting. The Board of Director's positions (including special opinions included in the Minutes) on each item of the agenda of the General Meetings conducted during previous reporting periods was included in the materials for the General Shareholders' Meeting. The Company provided the duly entitled shareholders with access to the list of persons entitled to participate in the General Meeting starting from the date of its receipt by the company for every General Meeting held in the reporting period. 	complied partially-complied not-complied	
1.1.4	The exercise of the shareholder's right to demand convocation of the General Meeting, to nominate candidates to the governing bodies, and to make proposals to be included in the agenda of the General Meeting did not involve undue difficulties.	<ol style="list-style-type: none"> During the reporting period, shareholders had the opportunity, within at least 60 days following the end of the respective calendar year, to make proposals to be included in the agenda of the annual General Meeting. During the reporting period, the company did not reject any proposals to the agenda or candidates for the company's governing bodies due to typos or other nonessential flaws present in the shareholder's proposal. 	complied partially-complied not-complied	
1.1.5	Each shareholder had the opportunity to freely exercise their right to vote using the easiest and most convenient way.	<ol style="list-style-type: none"> The internal document (internal policy) of the company contains provisions pursuant to which each participant of the General Meeting is entitled, before the completion of the relevant meeting, to request a copy of its completed ballot certified by the Counting Commission. 	complied partially-complied not-complied	
1.1.6	The General Meeting procedure established by the company provides equal opportunity for all persons attending the meeting to express their opinions and ask questions they want.	<ol style="list-style-type: none"> During the General Shareholders' Meetings held in the reporting period in the form of a meeting (collective attendance of shareholders), there was sufficient time provided for reports concerning the agenda issues and time to discuss such issues. Candidates for the Company's governance and control bodies were available to answer questions asked by shareholders at the meeting where their nominations were voted upon. The Board of Directors, when making decisions related to the preparation and holding of General Shareholders' Meetings, discussed the use of telecommunications facilities to provide shareholders remote access for participation in General Meetings during the reporting period. 	complied partially-complied not-complied	Providing shareholders with remote access for participation in General Shareholders' Meetings has been a practice of the Bank since 2011 and is set forth in the Regulations on the General Shareholders' Meeting, the approval of which refers to the competence of the General Meeting.
1.2	Shareholders were given an equal and fair opportunity to be a part of the company's profits by receiving dividends.			

1.2.1	The Company has developed and implemented a transparent and clear mechanism for determining the amount of dividends and paying them.	1. The Bank's dividend policy has been developed by the Board of Directors and disclosed. 2. If the dividend policy of the company uses indicators from the company's reporting to determine the amount of dividends, the relevant dividend policy provisions take into account the indicators of consolidated financial statements.	complied partially-complied not-complied	
1.2.2	The company does not make a decision on the payment of dividends if such a decision, without constituting a formal violation of the restrictions imposed by law, is economically unreasonable and may lead to the formation of misconceptions about the company's activities.	1. The company's dividend policy provides clear guidance on the financial/economic circumstances where the company should not pay dividends.	complied partially complied not-complied	The company's dividend policy provides clear guidance as to which internal and external conditions should be considered and analyzed by the Bank when deciding on dividend payments. A decision on the possibility of payment (nonpayment) of dividends and the amount of dividends is only made on the basis of an analysis of said conditions.
1.2.3	The company does not allow for the deterioration of dividend rights for existing shareholders.	1. During the reporting period, the company did not take any action leading to the deterioration of the dividend rights of existing shareholders.	complied partially-complied not-complied	
1.2.4	Company is committed to excluding from shareholders use of other ways to make profit (income) at the expense of the company, in addition to dividends and liquidation value.	1. For the purpose of excluding shareholders from the use of other ways to earn profit (income) at the expense of the company, in addition to dividends and liquidation value, the company's internal document establishes mechanisms of control that ensure the timely identification and procedure for the approval of transactions with persons affiliated (associated) with substantial shareholders (persons entitled to dispose of votes from voting shares), in cases where the law does not formally recognize such transactions as related party transactions.	complied partially-complied not-complied	The Supervisory Board has approved the Regulations on Major Transactions and Related-Party Transactions that govern the internal procedures to be followed when approving transactions. There is also a constantly updated register (list) of stakeholders (legal entities and individuals) held that is intended for internal use to determine the parties' stake in transactions.
1.3	The corporate governance system and its practices ensure equal conditions for all shareholders holding shares of one category (type), including minority (small) shareholders and foreign shareholders as well as their equal treatment on behalf of the company.			
1.3.1	The company has created conditions for the fair treatment of each shareholder on behalf of the company's governing and control bodies, including conditions that ensure the inadmissibility of major shareholder abuses in relation to minority shareholders.	1. During the reporting period the procedures for managing potential conflicts of substantial shareholders' interests are considered effective, and the conflicts between shareholders, if there were any, were given due attention by the Board of Directors.	complied partially-complied not-complied	
1.3.2	The company takes no actions that lead or may lead to an artificial redistribution of corporate control.	1. Quasitresury shares are absent or did not vote during the reporting period.	complied partially-complied not-complied	
1.4	Shareholders are provided with reliable and effective methods of accounting for rights to shares and with the possibility for free and unhindered disposal of the shares they hold.			

1.4	Shareholders are provided with reliable and effective methods of accounting for rights to shares and the possibility for free and unhindered disposal of the shares they hold.	1. The quality and reliability of the company's registrar activities on keeping the register of securities holders meet the needs of the company and its shareholders.	complied partially-complied not-complied	
2.1	The Board of Directors carries out the company's strategic management, defines the basic principles and approaches to the company's risk management and internal control system, controls the operations of executive bodies, and also exercises other key functions.			
2.1.1	The Board of Directors is responsible for making decisions related to the appointment to and release from executive body offices, inter alia, due to a failure of such bodies to perform its duties properly. The Board of Directors also supervises to ensure that the company's executive bodies act in accordance with the approved development strategy and main lines of the company's activity.	1. The Board of Directors has statutory powers to appoint to or release from office and also to define the contract terms for executive body members. 2. The Board of Directors has reviewed the report(s) of the sole executive body and the members of the collegial executive body on the company's implementation of strategy.	complied partially complied not-complied	Since Sberbank went public (in the 1990's), the issue of election of a sole executive body (CEO, Chairman of the Executive Board of the Bank) is referred by the Charter to the competence of the General Shareholders' Meeting. To date, the implementation of recommendations for the transfer of the Meeting's powers for the election of a sole executive body to the Supervisory Board is limited by the probability of these actions being recognized as a restriction of shareholder rights (in accordance with the current standards of law).
2.1.2	The Board of Directors establishes the basic guidelines of the company's activities in the long term, evaluates and approves the key performance indicators and core business objectives of the company, and evaluates and approves the strategy and business plans for the company's core activities.	1. During the reporting period, the Board of Directors meetings discussed issues related to the implementation and actualization progress of the strategy, the approval of the financial and economic plan (budget) of the company, as well as the consideration of criteria and indicators (including the interim ones) of the company's strategy and implementation of its business plan.	complied partially complied not-complied	The approval of the business plan and budget and the monitoring of their implementation fall within the Executive Board's competence pursuant to the Regulations on the Executive Board as approved by the General Shareholders' Meeting.
2.1.3	The Board of Directors determines the principles of and approaches to the organization of the risk management and internal control system of the company.	1. The Board of Directors has determined the principles of and approaches to the organization of the risk management and internal control system of the company. 2. The Board of Directors has assessed the risk management and internal control system of the company during the reporting period.	complied partially-complied not-complied	
2.1.4	The Board of Directors determines the company's policy on the remuneration and/or reimbursement of expenditures (compensations) for the members of the Board of Directors, executive bodies, and other key executives of the company.	1. The company has developed and implemented the policy (policies) on the remuneration and/or reimbursement of expenditure (compensations) for members of the Board of Directors, executive bodies, and other key executives of the company approved by the Board of Directors. 2. The issues related to such policy (policies) were examined during the reporting period at the Board of Directors meetings.	complied partially-complied not-complied	

2.1.5	The Board of Directors plays a key role in the prevention, detection, and resolution of internal conflicts between the company's bodies, the company's shareholders and the company's employees.	1. The Board of Directors plays a key role in the prevention, detection, and resolution of internal conflicts. 2. The company has created a system of identification for transactions associated with conflicts of interests and a system of measures aimed at resolving such conflicts.	complied partially-complied not-complied	
2.1.6	The Board of Directors plays a key role in ensuring the transparency of the company, the timeliness and completeness of the company's disclosure of information, and unhindered shareholders access to the company's documents.	1. The Board of Directors has approved the Regulation on Information Policy.	complied partially-complied not-complied	The issues concerning information disclosure and information interaction are currently governed by the Regulation on Disclosure approved by the Supervisory Board in 2013. The approval of the Information policy ensuring the efficient information interaction of the Bank, shareholders, investors, and other stakeholders is scheduled for 2016.
2.1.7	The Board of Directors oversees the company's corporate governance practice and plays a key role in the company's significant corporate events.	1. During the reporting period, the Board of Directors examined the issue of corporate governance practices in the company.	complied partially-complied not-complied	
2.2	The Board of Directors is accountable to the company's shareholders.			
2.2.1	Information about the operations of the Board of Directors is disclosed and submitted to shareholders.	1. The company's annual report for the reporting period includes information on the attendance of Board and Committee meetings by individual directors.	complied partially-complied not-complied	
2.2.2	The Chairman of the Board of Directors is available for communication with the company's shareholders.	1. The company has a transparent procedure that enables shareholders to submit questions to the Chairman of the Board of Directors and their own position regarding such questions.	complied partially-complied not-complied	
2.3	The Board of Directors is an effective and professional management body of the company capable of making objective independent judgments and decisions in the interest of the company and its shareholders.			
2.3.1	Only persons who have an excellent business and personal reputation as well as the knowledge, skills, and experience required to make decisions within the competence of the Board of Directors and required for the effective performance of its functions, shall be elected as Board of Directors members.	1. The procedure for assessing the Board of Director's performance adopted by the company includes, inter alia, the assessment of the professional qualifications of Board of Directors members. 2. During the reporting period, the Board of Directors (or its Nomination Committee) assessed candidates for the Board of Directors from the perspective of whether or not they have sufficient experience, knowledge, business reputation, no conflicts of interest, etc.	complied partially-complied not-complied	

2.3.2	The members of the Board of Directors are elected using a transparent procedure that allows shareholders to receive candidate-related information sufficient to provide insight into their personal and professional qualities.	1. In all cases of holding the General Shareholders' Meeting in the reporting period where the agenda included the issue of Board of Directors elections, the company submitted to the shareholders biographical data on all candidates for the position, results of the assessment of candidates conducted by the Board of Directors (or the Nomination Committee), as well as information on a candidate's adherence to the criteria of independence, in accordance with recommendations 102–107 of the Code and the written consent of the candidates for election to the Board of Directors.	complied partially-complied not-complied	
2.3.3	The Board of Directors composition is balanced, inter alia, in terms of the qualifications of its members, their experience, knowledge, and business qualities and enjoys the trust of shareholders.	1. Within the framework of the procedure for the Board of Directors performance assessment held in the reporting period, the Board of Directors has analyzed its own needs related to professional qualifications, experience, and business skills.	complied partially-complied not-complied	
2.3.4	The quantitative composition of the Board of Directors presents the opportunity to organize the activities of the Board of Directors in the most efficient manner, including the possibility of the formation of Board committees; it also enables a substantial minority of shareholders of the company to elect a candidate they vote for to the Board of Directors.	1. Within the framework of the procedure for the assessment of the Board of Directors held during the reporting period, the Board of Directors has examined the issue concerning the quantitative composition of the Board of Directors meeting the company's needs and shareholder interests.	complied partially-complied not-complied	
2.4	The members of the Board of Directors include an adequate number of independent directors.			
2.4.1	An independent director is a person possessing enough professionalism, experience, and independence to form their own opinion, and who is able to express unbiased and scrupulous judgments that do not depend on the influence of executive bodies of the company, certain groups of shareholders, or other stakeholders. In addition, it should be noted that a candidate (selected to be a member of the Board of Directors) normally cannot be considered as independent if they are associated with the company, its main shareholder, contractor or competitor, or associated with the state.	1. During the reporting period, all independent members of the Board of Directors met all independence criteria set forth in recommendations 102–107 of the Code or were recognized as independent upon the decision of the Board of Directors.	complied partially-complied not-complied	

2.4.2	An assessment of whether the candidates to the Board of Directors comply with independence criteria is carried out, and the regular analysis of whether independent members of the Board of Directors comply with the independence criteria is carried out. When carrying out this assessment the substance shall take precedence over the form.	<p>1. During the reporting period, the Board of Directors (or the Nomination Committee of the Board of Directors) has formed an opinion on the independence of each candidate to the Board of Directors and has provided shareholders with the corresponding report.</p> <p>2. During the reporting period the Board of Directors (or the Nomination Committee of the Board of Directors) has considered the independence of existing members of the Board of Directors, whom the company states in the annual report are independent directors, at least once.</p> <p>3. The company has developed procedures determining the necessary actions of a member of the Board of Directors to qualify as no longer independent, including the obligation of its prompt reporting to the Board of Directors.</p>	complied partially-complied not-complied	
2.4.3	Independent directors shall make up not less than one-third of the selected membership of the Board of Directors.	1. Independent directors shall make up not less than one-third of the membership of the Board of Directors.	complied partially-complied not-complied	
2.4.4	Independent directors play a key role in preventing internal conflicts in the company and carrying out some of the company's significant corporate actions.	1. Independent directors (having no conflicts of interest) preevaluate significant corporate actions related to possible conflict of interests, and provide the Board of Directors with the results of this evaluation.	complied partially-complied not-complied	
2.5	The Chairman of the Board of Directors shall facilitate the most effective fulfillment of the functions entrusted to the Board of Directors.			
2.5.1	The Chairman of the Board of Directors shall be an independent director or a senior independent director and shall be determined from among the selected independent directors who will coordinate the work of independent directors and cooperate with the Chairman of the Board of Directors.	<p>1. The Chairman of the Board of Directors is an independent director or a senior independent director determined from among independent directors <3>.</p> <p>2. The role, rights, and liabilities of the Chairman of the Board of Directors (and senior independent director, if applicable) are determined as appropriate in the internal documents of the company.</p>	complied partially-complied not-complied	<3> The Chairman of the Supervisory Board is a Nonexecutive Director (a representative of the majority shareholder). The position of senior independent director has been introduced to strengthen the role of independent directors, their coordination in the development of a consolidated opinion when necessary, and to assist the Chairman of the Supervisory Board.
2.5.2	The Chairman of the Board of Directors maintains a constructive atmosphere during meetings, ensures the free discussion of issues on the agenda, and control over the execution of resolutions adopted by the Board of Directors.	1. The effectiveness of the Chairman of the Board of Directors has been evaluated within the procedure of evaluation for the Chairman of the Board's effectiveness in the reporting period.	complied partially-complied not-complied	
2.5.3	The Chairman of the Board of Directors takes the necessary measures to timely provide the members of the Board of Directors with the necessary information to adopt decisions on Agenda items.	1. The internal documents of the company establish the liability of the Chairman of the Board of Directors to take measures on timely providing the members of the Board of Directors with materials on the Agenda items of the Meeting of the Board of Directors.	complied partially-complied not-complied	

2.6	The members of the Board of Directors shall reasonably, in good faith and with due care and discretion, perform their duties in the interests of the Company.			
2.6.1	The members of the Board of Directors shall make decisions taking into account all the information, having no conflict of interests and demonstrating equal treatment toward shareholders of the company as a part of usual business risks.	<ol style="list-style-type: none"> 1. The internal documents of the company establish that members of the Board of Directors are obligated to notify the Board of Directors if they have a conflict of interest regarding any item on the agenda of the meeting of the Board of Directors or the committee of the Board of Directors before starting discussion on the relevant issue of the agenda. 2. The internal documents of the company stipulate that members of the Board of Directors shall abstain from voting on any issue where there is a conflict of interest. 3. The company has established a procedure allowing the Board of Directors to obtain professional advice on issues related to its competence at the expense of the company. 	complied partially-complied not-complied	
2.6.2	The internal documents of the company establish and clearly set forth the rights and obligations of the members of the Board of Directors.	<ol style="list-style-type: none"> 1. The company has adopted and released an internal document that clearly defines the rights and obligations of the members of the Board of Directors. 	complied partially-complied not-complied	
2.6.3	The members of the Board of Directors have enough time to fulfill their obligations.	<ol style="list-style-type: none"> 1. Individual attendance of the meetings of the Board and committees and the time allocated for the preparation of attendance at the meetings have been taken into account as part of the procedure of evaluation for the Board of Directors in the reporting period. 2. In accordance with the internal documents of the company, members of the Board of Directors are obligated to notify the Board of Directors of their intention to be a member of the management bodies of other entities (in addition to subsidiaries and dependent entities of the company), and of the fact of such an assignment. 	complied partially-complied not-complied	
2.6.4	All members of the Board of Directors have equal access capabilities to the documents and information of the company. Newly elected members of the Board of Directors are provided with sufficient information about the company and the activities of the Board of Directors within the shortest time possible.	<ol style="list-style-type: none"> 1. In accordance with the internal documents of the company, members of the Board of Directors have the right to obtain access to documents and to make a request concerning the company and its subsidiaries; the executive bodies of the company are obligated to provide the relevant information and documents. 2. The company has a formal program of informational meetings for newly elected members of the Board of Directors. 	complied partially-complied not-complied	
2.7	The Meeting of the Board of Directors and the preparation and participation of the members of the Board of Directors in it shall ensure the effective operation of the Board of Directors.			
2.7.1	Meetings of the Board of Directors are held as required, taking into account the scale of activities and challenges the company faces from time to time.	<ol style="list-style-type: none"> 1. The Board of Directors held at least six meetings in the reporting year. 	complied partially-complied not-complied	

2.7.2	The internal documents of the company establish the procedure for preparing and conducting meetings of the Board of Directors and provide for the opportunity of members of the Board of Directors to properly prepare for them.	1. The company has approved an internal document defining the procedure for preparing and conducting meetings of the Board of Directors, which also establishes that the notice of meeting shall be made no less than 5 days before the date of the meeting.	complied partially-complied not-complied	
2.7.3	The form of the meeting of the Board of Directors is determined based on the importance of the agenda items. The most important issues are solved at meetings held by personal attendance.	1. The Charter or internal documents of the company stipulate that the most important issues (according to the list provided in recommendation 168 of the Code) shall be considered at the Board meetings held by personal attendance.	complied partially-complied not-complied	
2.7.4	Resolutions on the most important issues of the company's activities are adopted at the meeting of the Board of Directors by the qualified majority or a majority of votes of all elected members of the Board of Directors.	1. The Charter of the company stipulates that resolutions on the most important issues stated in recommendation 170 of the Code shall be adopted at the meeting of the Board of Directors by the qualified majority (not less than three-quarters of the votes) or a majority of votes of all elected members of the Board of Directors.	complied partially-complied not-complied	
2.8	The Board of Directors shall establish committees for preliminary consideration of the most important issues of the company's activities.			
2.8.1	The Audit Committee consisting of independent directors has been created for the preliminary consideration of issues related to control over the financial and economic activities of the company.	1. The Board of Directors has established the Audit Committee consisting solely of independent directors. 2. The internal documents of the company determine the tasks of the Audit Committee, including tasks from recommendation 172 of the Code. 3. At least, one member of the Audit Committee, being an independent director, has experience and knowledge in the preparation, analysis, assessment, and audit of accounting (financial) reports. 4. The meetings of the Audit Committee was held at least once a quarter during the reporting period.	complied partially complied not-complied	The representation of individual directors within the Supervisory Board is more than 1/3 of elected members (six out of fourteen directors). In accordance with the Regulations on the Committees of the Supervisory Board, the Audit Committee can be formed from independent directors (not less than the majority of the members of the Committee) and nonexecutive directors. The Chairman of the Audit Committee shall be an independent director. The Audit Committee is headed by an independent director; the majority of the members of the Committee (three out of five) are independent directors, and the others are nonexecutive directors.

2.8.2	The Remuneration Committee, consisting of independent directors and headed by an independent director (not the Chairman of the Board of Directors), has been created for the preliminary consideration of issues related to the formation of effective and transparent practices of remuneration.	<ol style="list-style-type: none"> 1. The Board of Directors has established the Remuneration Committee to consist only of independent directors. 2. The Chairman of the Remuneration Committee is an independent director who is not the Chairman of the Board of Directors. 3. The internal documents of the company determine the tasks of the Remuneration Committee, including tasks from recommendation 180 of the Code. 	<p>complied</p> <p>partially complied</p> <p>not-complied</p>	In accordance with the Regulations on the Committees of the Supervisory Board, the HR and Remuneration Committee can be formed from independent directors (not less than the majority of the members of the Committee) and nonexecutive directors. The Chairman of the HR and Remuneration Committee shall be an independent director or non-executive director. The HR and Remuneration Committee is headed by a non-executive director who is not the Chairman of the Supervisory Board. Half of the members of the Committee (two out of four) are independent directors.
2.8.3	The Nomination (HR, Appointment) Committee consisting of independent directors (the majority of members) has been created for the preliminary consideration of issues related to staff planning (succession planning), occupational structure, and the performance of the Board of Directors.	<ol style="list-style-type: none"> 1. The Board of Directors has established the Nomination Committee (or its tasks stated in recommendation 186 of the Code, carried out in another Committee <4>) to consist of independent directors (the majority of members). 2. The internal documents of the company determine the tasks of the Nomination Committee (or the respective Committee with combined functions), including tasks from recommendation 186 of the Code. 	<p>complied</p> <p>partially complied</p> <p>not-complied</p>	The HR and Remuneration Committee, which combines the functions of the Remuneration Committee and the Nomination Committee, has been created in the Supervisory Board. Half of the members of the stated Committee (two out of four) are independent directors, and the others are nonexecutive directors.
2.8.4	Taking into account the scale of activities and the risk level, the Board of Directors has ascertained that the members of its committees fully comply with the goals of the company's activities. Additional committees have been either created or acknowledged as unnecessary (Committee for Strategy, Corporate Management Committee, Ethics Committee, Risk Management Committee, Committee for Budget, Committee for Health, Safety and Environment, etc.).	1. During the reporting period the Board of Directors of the company considered an issue on the compliance of the members of its committees with the tasks of the Board of Directors and goals of the company's activities. Additional committees have been either created or acknowledged as unnecessary.	<p>complied</p> <p>partially-complied</p> <p>not-complied</p>	<p><5> The list of other committees created under the Supervisory Board:</p> <ul style="list-style-type: none"> - Strategic Planning Committee. - Risk Management Committee.
2.8.5	The composition of the committees is determined to allow the full discussion of preliminarily considered issues, taking into account all different opinions.	<ol style="list-style-type: none"> 1. The committees of the Board of Directors are headed by independent directors. 2. The internal documents (policies) of the company include provisions under which persons who are not members of the audit committee, the nomination committee, and the Remuneration Committee, can attend committee meetings only on invitation of the Chairman of the relevant committee. 	<p>complied</p> <p>partially complied</p> <p>not-complied</p>	Four Committees have been created under the Supervisory Board. In accordance with the Regulations on the Committees of the Supervisory Board, the Chairpersons of the Audit and Risk Management Committees shall be independent directors (complied). The chairpersons of the HR & Remuneration and Strategic Planning Committees shall be independent or nonexecutive directors (complied, the chairpersons are nonexecutive directors).

2.8.6	Chairpersons shall regularly inform the Board of Directors and its Chairperson on the activities of their committees.	1. During the reporting period the chairpersons shall regularly report on the activities of their committees to the Board of Directors.	complied partially-complied not-complied	
2.9	The Board of Directors shall provide a quality assessment of the activities of the Board of Directors along with its Committees and members.			
2.9.1	The quality assessment of the activities of the Board of Directors aims to define the performance of the Board of Directors, committees and members of the Board of Directors, the compliance of their activities with the developmental needs of the company, and to intensify activities of the Board of Directors to detect areas where such activities may be improved.	1. Self-assessment or external assessment of the Board of Directors conducted during the reporting period included a performance assessment of committees, members of the Board of Directors and the Board of Directors as a whole.	complied partially-complied not-complied	
2.9.2	Performance of the Board of Directors, committees and members of the Board of Directors shall be assessed regularly at least once annually. A third-party organization (consultant) shall be involved to conduct an independent performance assessment of the Board of Directors at least once every three years.	1. To conduct an independent performance assessment of the Board of Directors, the company engaged a third-party organization (consultant) at least once in the last three reporting periods.	complied partially-complied not-complied	
3.1	The Corporate Secretary of the company shall ensure current effective interaction with shareholders, the coordination of company activities to protect the rights and interests of its shareholders, as well as provide support for the efficient activities of the Board of Directors.			
3.1.1	The Corporate Secretary shall have sufficient knowledge, experience and qualifications to perform the obligations imposed on them, an impeccable reputation, and also enjoy the confidence of shareholders.	1. The company adopted and disclosed an internal document, the Regulations on the Corporate Secretary. 2. The company website and annual report shall contain the biography of the Corporate Secretary with the same level of detail as that of members of the Board of Directors and the executive management of the company.	complied partially-complied not-complied	
3.1.2	The Corporate Secretary shall have sufficient independence from executive bodies of the company as well as the authorities and resources required to perform his/her tasks.	1. The Board of Directors shall approve the assignment, dismissal and additional remuneration of the Corporate Secretary.	complied partially-complied not-complied	
4.1	The amount of remuneration paid by the company shall be sufficient enough to engage, motivate and retain persons with the competences and skills necessary for the company. Members of the Board of Directors, executive bodies and other key executive employees of the company shall be remunerated in accordance with the remuneration policy accepted in the company.			

4.1.1	The amount of remuneration paid by the company to members of the Board of Directors, executive bodies, and other key managers shall create sufficient motivation for their effective operations, thus allowing the company to attract and retain competent and qualified specialists. At the same time, the company avoids remuneration exceeding the necessary level as well as an unreasonably large gap between the remuneration amounts of said managers and the employees of the company.	1. The company has adopted an internal document (documents), or the remuneration policy (policies) for members of the Board of Directors, executive bodies and other key managers that clearly defines approaches to the remuneration of said officers.	complied partially-complied not-complied	
4.1.2	The remuneration policy of the company was drafted by the Remuneration Committee and approved by the Board of Directors. The Board of Directors assisted by the Remuneration Committee shall provide control over the introduction and implementation of the remuneration policy and, if needed, review and make amendments thereto.	1. During the reporting period, the Remuneration Committee considered the remuneration policy (policies) and implementation practices and submitted appropriate recommendations to the Board of Directors where applicable.	complied partially-complied not-complied	
4.1.3	The Company's Remuneration Policy contains transparent mechanisms for determining the amount of remuneration for members of the Board of Directors and executive bodies and for other key managers of the Company, and also regulates all payments, benefits and privileges provided to the officers mentioned above.	1. The Company's Remuneration Policy (Policies) contain(s) transparent mechanisms for determining the amount of remuneration for members of the Board of Directors and executive bodies and other key managers of the Company, and also regulate(s) all payments, benefits and privileges provided to the officers mentioned above.	complied partially-complied not-complied	
4.1.4	The company shall define its reimbursement (compensation) policy specifying the list of expenses subject to compensation and the service level to which members of the Board of Directors and executive bodies and for other key managers of the Company are entitled. Such policy may be a part of the Company's remuneration policy.	1. The Company's remuneration policy (policies) or other internal documents establishes the compensation rules for members of the Board of Directors and executive bodies and for other key managers of the Company.	complied partially-complied not-complied	
4.2	The system for remuneration of the members of the Board of Directors shall ensure that the financial interests of the directors are brought closer to the long-term financial interests of the shareholders.			

4.2.1	The company shall pay fixed annual remuneration to the members of the Board of Directors. The company shall not pay remuneration for participation in individual meetings of the Board of Directors or committees thereof. The company shall not use short-term motivation or additional material incentives in relation to members of the Board of Directors.	1. Fixed annual remuneration was the only monetary remuneration provided to members of the Board of Directors for their activities therein during the reporting period.	complied partially-complied not-complied	
4.2.2	Long-term possession of shares best facilitates bringing the financial interests of the directors closer to the long-term financial interests of the shareholders. At the same time, the company shall not attach the condition of achievement of a certain level of performance to the right to sell shares, and the members of the Board of Directors shall not participate in option programs.	1. If the internal document(s) on the remuneration policy (policies) stipulate provision of the company's shares to the members of the Board of Directors, the company shall set forth and disclose clear rules for share holding by the members of the Board of Directors aimed at encouraging long-term possession of such shares.	complied partially-complied not-complied	Members of the Supervisory Board shall not participate in option programs.
4.2.3	The company shall not provide any additional payments or compensations in the case of the early termination of powers of members of the Board of Directors due to a change of control over the company or other circumstances.	1. The company shall not provide any additional payments or compensations in the case of the early termination of powers of members of the Board of Directors due to a change of control over the company or other circumstances.	complied partially-complied not-complied	
4.3	The system for remuneration of members of executive bodies and other key executive employees of the company shall provide for the dependence of the amount of remuneration on the performance results of the company and their personal contribution to achieving these results.			
4.3.1	Remuneration for members of executive bodies and other key executive employees shall be determined in such a way as to ensure a reasonable and justified ratio between the fixed part of remuneration and the variable part thereof, which depends on company performance results and the personal (individual) contribution of the employee to the final result.	1. During the reporting period, annual performance indicators approved by the Board of Directors were used to determine the amount of variable remuneration for members of executive bodies and other key executive employees. 2. In the course of the last assessment of the system for the remuneration of the members of executive bodies and other key executive employees, the Board of Directors (Remuneration Committee) ascertained that the company uses an effective ratio between the fixed and variable parts of remuneration. 3. The company applies a procedure that ensures the return of bonuses wrongly obtained by members of executive bodies and other key executive employees.	complied partially-complied not-complied	

4.3.2	The company has implemented a long-term incentive program for members of executive bodies and other key executive employees using company shares (options or other derivative financial instruments whose underlying asset is company shares).	<p>1. The company has implemented a long-term incentive program for members of executive bodies and other key executive employees using company shares (financial instruments based on company shares).</p> <p>2. The long-term incentive program for members of executive bodies and other key executive employees stipulates that the right to sell the shares or other financial instruments used in such program may be exercised not earlier than in three years from the provision thereof. At the same time, the right to sell them is conditional upon the company's achievement of certain performance indicators.</p>	complied partially-complied not-complied	
4.3.3	The amount of compensation (golden parachute) paid to the members of executive bodies or key executive employees in the case of the early termination of their powers at the initiative of the company, provided there have been no unethical acts on the part of the officers mentioned, shall not exceed the double amount of the fixed part of their annual remuneration.	1. The amount of compensation (golden parachute) paid to the members of executive bodies or key executive employees during the reporting period in the case of the early termination of their powers at the initiative of the company, provided there have been no unethical acts on the part of the officers mentioned, did not exceed the double amount of the fixed part of their annual remuneration.	complied partially-complied not-complied	<p>Compensation to the members of executive bodies or key executive employees in the case of early termination of their powers at the initiative of the Bank, provided there have been no unethical acts on the part of the officers mentioned, is not provided for. The cases set forth in the Labor Code of the Russian Federation in relation to the executives of the company and reflected in labor contracts with members of the Executive Board constitute an exception. Such cases include: termination of labor contracts due to a change of ownership of the Bank (Art. 181 of the RF Labor Code) or due to a decision to terminate the labor contract made by an authorized body of the Bank's Executive Board, provided there have been no unethical acts on the part of the employee (Art. 279 of the RF Labor Code). In the said cases, the RF Labor Code stipulates that the compensation shall constitute at least triple the amount of the average monthly wage of the employee. Labor contracts define the minimum possible size, which is triple the amount. In the 2015 reporting year no such cases occurred.</p>
5.1	The company has established an effective risk management and internal control system aimed at providing reasonable confidence in achieving the objectives set by the company.			
5.1.1	The Board of Directors has defined principles and approaches to the organization of risk management and the internal control system in the company.	1. The functions of the Company's various executive bodies and units in the risk management system and internal control have been clearly defined in the internal documents/relevant policy approved by the Board of Directors.	complied partially-complied not-complied	

5.1.2	The executive bodies of the company shall ensure the creation and maintenance of an effective risk management and internal control system.	1. The executive bodies of the company have ensured the distribution of functions and powers for risk management and internal control between subordinate managers (heads) of units and departments.	complied partially-complied not-complied	
5.1.3	The risk management and internal control system of the company shall ensure an objective, fair and clear vision of the current condition and perspectives of the company, reporting integrity and transparency, and the reasonableness and admissibility of the risks accepted by the company.	1. The company has approved the anti-corruption policy. 2. The company has established an accessible means of informing the Board of Directors or the Audit Committee thereof about violations of the law, internal procedures or the Code of Ethics of the company.	complied partially-complied not-complied	
5.1.4	The Board of Directors of the company shall take the measures necessary to ensure that the current risk management and internal control system complies with the organizational principles and approaches defined by the Board of Directors and functions effectively.	1. During the reporting period, the Board of Directors or the Audit Committee thereof has assessed the effectiveness of the risk management and internal control system applied in the company. Information on the main results of such assessment have been included in the annual report.	complied partially-complied not-complied	The risk management and internal control system applied in the Bank fully complies with the requirements of Bank of Russia and the legislation of the Russian Federation, taking into account the recommendations of the Basel Committee on Banking Supervision and the European Community. In 2015 the Supervisory Board established the Risk Management Committee and approved the Risk and Capital Management Strategy of Sberbank Group; during its meetings several times a year the Supervisory Board considers matters related to the management of various types of risks. As a credit institution, the Bank regularly discloses information on the risks accepted by Sberbank Group and the procedure for their assessment and for risk and capital management on its official website in accordance with the requirements of Bank of Russia.
5.2	In order to conduct a systematic independent assessment of the reliability and effectiveness of the risk management and internal control system and corporate governance practices, the company shall arrange for internal auditing.			
5.2.1	In order to conduct internal auditing, the company has established a separate structural unit or engaged an independent external organization. The functional and administrative accountability of the internal audit unit shall be clearly delineated. The internal audit unit shall functionally report to the Board of Directors.	1. In order to conduct internal auditing, the company has established a separate structural unit functionally subordinate to the Board of Directors or the Audit Committee or engaged an independent external organization following the same accountability principle.	complied partially-complied not-complied	

5.2.2	The internal audit unit shall conduct an assessment of the effectiveness of the internal control system, the risk management system and the corporate governance system. The company shall apply generally accepted internal auditing standards.	1. During the reporting period, an internal audit provided an assessment of the effectiveness of the internal control and risk management system. 2. The company uses generally accepted approaches to internal control and risk management.	complied partially-complied not-complied	
6.1	The company and its activities are transparent to the shareholders, investors and other stakeholders.			
6.1.1	The company has elaborated and introduced an information policy that ensures effective information exchange between the company, shareholders, investors and other stakeholders.	1. The Board of Directors of the company has approved an information policy based on the Code's recommendations. 2. The Board of Directors (or one of its committees) considered issues related to the company's compliance with its information policy at least once during the reporting period.	complied partially complied not-complied	Approval of the Information Policy is planned in 2016. At present, the Information Disclosure Regulation approved by the Supervisory Board in 2013 is in force.
6.1.2	The company discloses information on the system and practice of corporate governance, including detailed information on compliance with the principles and recommendations set forth in the Code.	1. The company discloses information on its corporate governance system and the general principles of corporate governance applied in the company, including on its website. 2. The company discloses information on the membership of executive bodies and the Board of Directors, the independence of the members of the Board and their membership in committees of the Board of Directors (as defined in the Code). 3. If there is a person who controls the company, the latter shall publish a memorandum of the controlling person on the plans of such person related to corporate governance in the company.	complied partially-complied not-complied	The memorandum will be published if prepared by the controlling person.
6.2	The company shall disclose full, relevant and reliable information on the company in a timely manner to provide the shareholders of the company and investors with the opportunity to make sound decisions.			
6.2.1	The company shall disclose information in accordance with the principles of regularity, consistency and promptness, as well as accessibility, reliability, fullness and comparability of the data disclosed.	1. The information policy of the company shall define approaches and criteria for defining information that can significantly influence the assessment of the company and the cost of its securities, as well as procedures for ensuring the timely disclosure of such information. 2. If the securities of the company are traded in foreign organized markets, essential information shall be disclosed simultaneously and equivalently in the Russian Federation and in such markets during the reporting year. 3. If foreign shareholders hold a significant number of the company's shares, during the reporting period information was disclosed both in Russian and in one of the most widespread foreign languages.	complied partially-complied not-complied	At present, the provisions mentioned above are specified in the Information Disclosure Regulation approved by the Supervisory Board in 2013. Approval of the Information Policy is planned in 2016.

6.2.2	The company avoids a formal approach to information disclosure and divulges essential information on its activities, even if the disclosure of such information is not stipulated by the law.	1. During the reporting period, the company disclosed annual and semiannual financial statements prepared as per IFRS. The annual report for the reporting period includes annual financial statements prepared as per IFRS, along with the auditor's report. 2. The company discloses full information on the capital structure as per Recommendation 290 of the Code both in the annual report and on its website.	complied partially complied not-complied	The capital structure is disclosed to a lesser extent than that recommended by the CHM. The Bank will strive to expand the amount of disclosed information.
6.2.3	The annual report, as one of the most important instruments of information exchange with shareholders and other stakeholders, shall contain information making it possible to evaluate the results of the company's activities for the year.	1. The annual report of the company contains information about the key aspects of its operation activities and financial results 2. The annual report contains information about environmental and social aspects of the company's activities.	complied partially-complied not-complied	Information about the environmental and social aspects of the Bank's activities is disclosed in the Annual Report on Corporate Social Responsibility.
6.3	The company provides information and documents at the request of shareholders in accordance with the principles of equal and unhindered access.			
6.3.1	Provision of information and documents by the company at the request of shareholders in accordance with the principles of equal and unhindered access.	1. The company's information policy defines the procedure for providing shareholders with unhindered access to information, including information about controlled legal entities, at the shareholders' request.	complied partially-complied not-complied	The Regulation on Information Disclosure approved by the Supervisory Board in 2013 defines the procedure for unhindered access to information. Approval of the Information Policy is planned in 2016.
6.3.2	Provision of information to shareholders ensures a reasonable balance between the interests of certain shareholders and the interests of the company itself, which is concerned with the confidentiality of important commercial information that could significantly influence its competitiveness.	1. During the reporting period, the company did not refuse to satisfy shareholders' information requests or such refusals were reasonable. 2. In cases defined by the Company's Information Policy, shareholders are informed about the confidential nature of information and undertake to keep it in secret.	complied partially-complied not-complied	
7.1	Actions which significantly impact or could significantly impact the share capital structure and financial state of the company and, consequently, the position of the shareholders (significant corporate actions) shall be taken in a fair manner, ensuring the observation of the rights and interests of the shareholders and other stakeholders.			

7.1.1	Reorganization of the Company, acquisition of 30 percent or more of its voting shares (takeover), performance of significant transactions, an increase or decrease in the Company's share capital, listing or delisting of shares, and other actions that could result in significant changes to the shareholders' rights or violations of their interests are deemed significant corporate actions. The Charter of the company define the list (criteria) of transactions or other actions which are significant corporate actions, and such matters are reserved to the Board of Directors of the company.	1. The Charter of the Company define the list of transactions or other actions which are significant corporate actions and the criteria for defining such actions. The making of decisions on significant corporate actions is reserved to the competence of the Board of Directors. In cases when such corporate actions are expressly reserved by law to the competence of the General Shareholders' Meeting, the Board of Directors shall provide shareholders with appropriate recommendations. 2. The Charter of the Company deem at least the following actions to be significant corporate actions: reorganization of the Company, acquisition of 30 percent or more of its voting shares (takeover), performance of significant transactions by the Company, an increase or decrease in the Company's share capital, and listing and delisting of its shares.	complied partially complied not-complied	The list of significant corporate actions is defined by the Sberbank Code of Corporate Governance. The Bank's Charter establish that decisions on significant corporate actions shall be made by the qualified majority of the Supervisory Board (by at least three-fourths of the votes).
7.1.2	The Board of Directors plays a key role in decision making or preparation of recommendations on significant corporate actions; the Board of Directors relies on the position of the Company's independent directors.	1. The Company provides for a procedure for the independent directors to declare their position on significant corporate actions before the approval thereof.	complied partially complied not-complied	The Supervisory Board plays an important role in decision making as regards significant corporate actions. Sberbank's Code of Corporate Governance provides for the possibility of establishing an ad hoc interim committee for preliminary consideration of issues regarding significant corporate actions.
7.1.3	When performing significant corporate actions relating to the rights and legal interests of shareholders, the Company ensures equal terms for all the shareholders of the company, and if legislation provides insufficient mechanisms for the protection of shareholders' rights, the Company takes additional measures to protect the rights and legal interests of its shareholders. In this case, the Company relies both on compliance with the formal requirements of the law and the principles of corporate governance set forth in the Code.	1. With due regard to particular aspects of the Company's activities, the Charter determine criteria for classifying the Company's transactions as significant corporate transactions which are lower than the minimal criteria determined by the law. 2. During the reporting period, all significant corporate actions underwent the approval procedure before they were taken.	complied partially complied not-complied	At present there is no need for the Bank to introduce additional measures to protect the rights and legal interests of shareholders.
7.2	The company ensures a procedure for taking significant corporate actions which enables shareholders to obtain full information on such actions in a timely manner, provides them with the opportunity to influence such actions, and guarantees the observation and adequate protection of their rights when such actions are taken.			
7.2.1	Information on significant corporate actions includes the reasons, conditions and results of such actions.	1. During the reporting period, the Company promptly disclosed detailed information on its significant corporate actions, including the grounds and terms thereof.	complied partially complied not-complied	

7.2.2	Rules and procedures related to significant corporate actions taken by the Company are defined in its internal documents.	1. The internal documents of the Company stipulate the procedure for engagement of an independent appraiser to determine the value of property alienated or acquired under a major transaction or an interested party transaction. 2. The internal documents of the Company stipulate the procedure for engagement of an independent appraiser to determine the value of share acquisition and repurchase. 3. The Company's internal documents stipulate an extended list of grounds for deeming members of its Board of Directors and other persons specified by the law to be parties interested in the Company's transactions.	complied partially-complied not-complied	
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<1> The status "complied" is indicated only if the Company complies with all the criteria for assessment of compliance with the corporate governance principle. Otherwise, the status "partially complied" or "not complied" shall be indicated.

<2> Specified for each criterion for assessing compliance with corporate governance principles if the Company complies only with a part of the criteria or with none of the criteria for assessment of compliance with the principle. If the Company indicates the status "complied", no explanation is required.

<3> Indicate which of the two alternative approaches admitted by the principle is being implemented in the Company and give reasons for the approach chosen.

<4> If the tasks of the Nomination Committee are fulfilled by any other committee, indicate its name.

<5> Indicate the list of additional committees created.

Item No. 2

Approval of Annual Accounting (Financial) Statements

Draft Resolution on the Item.

Approve the annual accounting (financial) statements for 2015.

Clarifying information on the item

In accordance with Federal Law No. 208-FZ dated December 26, 1995 On Joint Stock Companies the Bank is required to include an item regarding the approval of the annual accounting (financial) statement in the agenda of the Annual General Shareholders Meeting (this item is not reserved to the Supervisory Board by the Charter).

The annual accounting (financial) statement for 2015 proposed for approval by the Annual General Shareholders Meeting was prepared in accordance with Bank of Russia Ordinance No. 3054-U dated September 4, 2013 "On the Procedure of Accounting (Financial) Statements Preparation by Credit Institutions" and No. 3081-U dated October 25, 2013 "On Disclosing Information Activities by Credit Institutions").

Unlike the annual report, the annual accounting (financial) statement includes the following:

- published reporting forms;
- information on Sberbank Group;
- a brief overview of the preparation of annual statements and the basic accounting policy of the Bank;
- additional information related to the balance sheet;
- additional information related to the statement of financial performance;
- information on capital;
- information on related party transactions;
- the balance sheet and income statement broken down by geographic segments.

The annual accounting (financial) statement for 2015 was audited by Ernst & Young LLC, an independent auditor (elected as the Bank's auditor for 2015 and the 1st quarter of 2016 at the Annual General Shareholders Meeting of May 29, 2015). The auditor's report is an integral part of the annual accounting (financial) statement.

At the meeting of April 12, 2016, the Audit Committee of the Supervisory Board reviewed the auditor's report on the annual accounting (financial) statement of Sberbank for 2015 and recommended that the Supervisory Board of Sberbank submit the 2015 annual accounting (financial) statement for the approval of the Annual General Shareholders Meeting and include the auditor's report on the annual accounting (financial) statement for 2015 prepared by the Audit Committee of the Supervisory Board in the information (materials) provided for review to the persons eligible to attend the Annual General Shareholders Meeting of Sberbank.

Note: The Audit Committee of the Supervisory Board consists of 5 members. It includes three independent directors (Nadia Wells, Vladimir Mau and Sergei Sinelnikov-Murylev) who have experience and knowledge in the preparation, analysis, assessment and audit of the annual accounting (financial) statement.

Assessment of the Auditor's Report on the Annual Accounting (Financial) Statements for 2015

After examining the Audit Report of the independent auditor, Ernst & Young LLC, on the annual accounting (financial) statements for 2015, the Audit Committee of the Supervisory Board of Sberbank observes that:

- the audit has been performed in accordance with the Federal Standards of Audit Activities and International Audit Standards;
- the audit report has been drawn up in accordance with the Federal Standard of Audit Activities FSAD 1/2010 "Audit Report on the Accounting (Financial) Statements and Drawing up a Report Concerning their Validity," adopted by Order of the Ministry of Finance of the Russian Federation No. 46n dated May 20, 2010, and with Article 42 of Federal Law No. 395-1 dated December 2, 1990 On Banks and Banking Activities;
- the Audit Report contains the unequivocally positive opinion that the annual accounting (financial) statements accurately reflect the financial standing of Sberbank in all material respects as of January 1, 2016, the results of its financial and business operations and cash flows for 2015 in accordance with the rules for drawing up annual accounting (financial) statements established in the Russian Federation;
- the Audit Reports contain information on the execution by Sberbank of the mandatory ratios adopted by the Bank of Russia as of January 1, 2016;
- following the results of the evaluation conducted by the auditors regarding issues listed in Article 42 of Federal Law No. 395-1 dated December 2, 1990 On Banks and Banking Activities, the Audit Report does not contain any information on the non-compliance of the internal control system and the risk management system with regards to the requirements imposed on such systems by the Bank of Russia.

At the meeting of April 12, 2016 the Supervisory Board addressed the matter of Sberbank's annual accounting (financial) statement for 2015 and resolved as follows:

1. To grant preliminary approval of Sberbank's annual accounting (financial) statement for 2015 and include it in the information (materials) provided for review to the persons eligible to attend the Annual General Shareholders Meeting of Sberbank on 2015 results.
2. To propose that the Annual General Shareholders Meeting approve Sberbank's annual accounting (financial) statement for 2015.

The Audit Commission of the Bank has confirmed the validity of the information included in the annual accounting (financial) statement.

Annual Accounting (Financial) Statements for 2015

AUDIT REPORT
on the Annual Accounting (Financial) Statements
of Sberbank of Russia
for the Year 2015

March 2016

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Independent Auditor's Report

Translation of the Original Russian Version

To the shareholders of Sberbank of Russia

Report on the annual accounting (financial) statements

We have audited the accompanying annual accounting (financial) statements of Sberbank of Russia (the "Bank"), which consist of the balance sheet (disclosure form) as of 1 January 2016, the statement of financial performance (disclosure form) for the year 2015, appendices thereto comprising the statement of capital adequacy to cover risks, allowance for possible losses from loans and other assets (disclosure form) as of 1 January 2016; the statement of obligatory ratios and leverage ratio (disclosure form) as of 1 January 2016; the cash flow statement (disclosure form) as of 1 January 2016; and explanatory information.

Audited entity's responsibility for the annual accounting (financial) statements

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

Auditor's responsibility

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

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounting (financial) statements. The audit procedures selected depend on the auditor's judgment, including an assessment of the risks of material misstatement of the annual accounting (financial) statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation and fair presentation of the annual accounting (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 annual accounting (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 annual accounting (financial) statements present fairly, in all material respects, the financial position of the Bank as of January 1, 2016, its financial performance and

cash flows for the year 2015 in accordance with the rules on the preparation of accounting (financial) statements established in the Russian Federation.

Other matters

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

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

The management of the Bank is responsible for the Bank's compliance with the obligatory ratios established by the Central Bank of the Russian Federation (the "Bank of Russia") and for compliance of the Bank's internal control and risk management systems with the requirements set forth by the Bank of Russia in relation to these systems.

In accordance with the requirements of Article 42 of Federal Law No. 395-1 "Concerning Banks and Banking Activity" of December 2, 1990 (the "Law"), during the audit of the Bank's annual accounting (financial) statements for the year 2015, we have reviewed the following:

- 1) Whether the Bank complied as of January 1, 2016 with the obligatory ratios established by the Bank of Russia
- 2) Whether the Bank's internal control and risk management systems comply with the requirements set forth by the Bank of Russia for these systems in terms of:
 - Subordination of risk management departments
 - Availability of methodologies approved by the Bank's authorized bodies for identifying and managing risks that are significant to the Bank and for performing stress testing; and availability of a system for reporting on the Bank's significant risks and capital
 - Consistency in applying and assessing the effectiveness of methodologies for managing risks that are significant to the Bank
 - Oversight functions performed by the Bank's Board of Directors and executive management to ensure that the Bank complies with the internally established risk limits and capital adequacy requirements and applies risk management procedures in an effective and consistent manner

This review involved the procedures we selected on the basis of our judgment, including inquiries, analysis, review of documents, comparison of the requirements, procedures and methodologies approved by the Bank with the requirements set forth by the Bank of Russia, and recalculation, comparison and reconciliation of amounts and other information.

The results of our review are provided below.

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

We have found that the values of obligatory ratios calculated by the Bank as of January 1, 2016, were within the limits established by the Bank of Russia.

We have not performed any procedures on the Bank's accounting data, except for the procedures we considered necessary to express our opinion on the fairness of the Bank's annual accounting (financial) statements.

Compliance by the Bank's internal control and risk management systems with the requirements set forth by the Bank of Russia in relation to these systems

- We have found that, in accordance with the regulations and recommendations issued by the Bank of Russia as of December 31, 2015, the Bank's internal audit function was accountable to the Supervisory Board and the Bank's risk management departments were not subordinated and accountable to the departments that take relevant risks.
- We have found that the Bank's internal documents effective as of December 31, 2015, which establish the methodologies for identifying and managing credit, market, operational and liquidity risks that are significant to the Bank and for stress testing, were approved by the Bank's authorized bodies in accordance with the regulations and recommendations issued by the Bank of Russia. We have also found that, as of December 31, 2015, the Bank had in place a system for reporting on credit, market, operational and liquidity risks that are significant to the Bank and on its capital.
- We have found that the periodicity and consistency of reports on the management of the Bank's credit, market, operational and liquidity risks, which were prepared by the Bank's risk management departments and internal audit function during the year ended on December 31, 2015, complied with the Bank's internal documents and that those reports included observations of the Bank's risk management departments and internal audit function on the effectiveness of the Bank's risk management methodologies.
- We have found that, as of December 31, 2015, the competences of the Bank's Supervisory Board and executive management bodies included control over the Bank's compliance with the internally established risk limits and capital adequacy requirements. For the purpose of controlling the efficiency of, and consistency in, applying the risk management procedures during the year 2015, the Bank's Supervisory Board and executive management bodies regularly reviewed the reports which were prepared by the Bank's risk management departments and internal audit function.

We have conducted our procedures on the internal control and risk management systems solely to review whether the Bank complied with the requirements set forth by the Bank of Russia for the above-mentioned internal control elements and for the design of the risk management systems as they are described in the Federal Law.

S. M. Taskaev
Partner
Ernst & Young LLC
March, 30 2016

Details of the audited entity

Name: Sberbank of Russia
State registration of the credit institution by the Central Bank of the Russian Federation:
No. 1481 dated August 11, 2015.
Record made in the State Register of Legal Entities on August 16, 2002; State Registration
Number 1027700132195.
Address: 19 Vavilova St., Moscow 117997, Russia.

Details of the auditor

Name: Ernst & Young LLC

Record made in the State Register of Legal Entities on 5 December 2002, State Registration Number 1027739707203.

Address: 77, building 1, Sadovnicheskaya naberezhnaya, Moscow 115035, Russia.

Ernst & Young LLC is a member of Self-regulatory organization of auditors "Russian Audit Chamber" (Association) ("SRO APR"). Ernst & Young LLC is included in the control copy of the register of auditors and audit organizations, main registration number 10201017420.

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

BALANCE SHEET (disclosure form) as of January 1, 2016

Of the credit institution: Sberbank of Russia

Sberbank

Mailing address: 19, Vavilova St., Moscow 117997, Russian Federation

Form code under OKUD 0409806
Quarterly (Annual)
RUB'000

Line number	Item	Explanation number	Figures as of the reporting date	Figures as of the start of the reporting year
1	2	3	4	5
I	ASSETS			
1	Cash and cash equivalents	5.1	732.789.740	1.240.712.425
2	Funds of credit institutions held with the Central Bank of the Russian Federation	5.1	586.685.384	369.675.704
2.1	Obligatory reserves		118.363.174	142.522.154
3	Due from credit institutions	5.1	355.984.910	356.487.333
4	Financial assets carried at fair value through profit or loss	5.2	405.977.877	825.688.140
5	Net loans receivable	5.3	16.869.803.465	15.889.379.335
6	Net investments in securities and other financial assets available for sale	5.4	2.316.356.734	1.745.489.852
6.1	Investments in subsidiaries and affiliates	5.5, 6.1	536.732.037	385.839.342
7	Net investments in securities held to maturity	5.6	436.472.311	366.474.111
8	Current profit tax claims	4.5	19.774.223	67.057.790
9	Deferred tax asset		0	0
10	Fixed assets, intangible assets, and inventories	5.7	477.354.992	478.611.700
11	Other assets	5.8	505.716.457	407.183.754
12	Total assets		22.706.916.093	21.746.760.144
II	LIABILITIES			
13	Loans, deposits, and other funds of the Central Bank of the Russian Federation		768.989.234	3.515.817.946
14	Due to credit institutions	5.9	618.363.818	794.856.364
15	Due to customers other than credit institutions	5.10	17.722.423.458	14.026.723.547
15.1	Deposits (funds) of individuals, including individual entrepreneurs		10.221.284.952	7.999.051.651
16	Financial liabilities carried at fair value through profit or loss		228.167.483	617.944.480
17	Debt securities in issue	5.11	647.694.355	513.402.485
18	Current profit tax liability	4.5	5.404.321	2.170
19	Deferred tax liability	4.5	93.348.434	42.891.174

Line number	Item	Explanation number	Figures as of the reporting date	Figures as of the start of the reporting year
1	2	3	4	5
I	ASSETS			
20	Other liabilities	5.12	256.566.985	216.252.982
21	Provisions for possible losses from credit contingencies, other possible losses, and transactions with offshore residents		36 530 500	31 000 692
22	Total liabilities		20.378.763.487	19.764.421.648
III	SOURCES OF EQUITY			
23	Equity of shareholders (members)	5.13	67.760.844	67.760.844
24	Treasury shares (interests) redeemed from shareholders (members)	5.13	0	0
25	Paid-in capital in excess of par value		228.054.226	228.054.226
26	Reserve fund		3.527.429	3.527.429
27	Revaluation of securities available for sale at fair value less deferred tax liability (plus deferred tax asset)	8.5	-46.427.290	-197.450.451
28	Revaluation of fixed assets less deferred tax liability		66.357.126	80.536.315
29	Retained earnings (uncovered losses) of previous years		1.790.492.964	1.488.697.172
30	Unused profit (loss) for the reporting period	6	218.387.307	311.212.961
31	Total sources of equity		2.328.152.606	1.982.338.496
IV	OFF-BALANCE-SHEET LIABILITIES			
32	Irrevocable liabilities of the credit institution		8.065.233.100	8.908.307.537
33	Guarantees and sureties granted by the credit institution		1.387.353.103	1.625.269.457
34	Noncredit related commitments		0	37.087

**CEO, Chairman of the Board
of Sberbank**

H. O. Gref _____
(Full Name)

(Signature)

**Senior Managing Director, Chief Accountant –
Director of the Accounting
Department, Sberbank**

L.S.

M. Yu. Lukyanova _____
(Full Name)

(Signature)

March 30, 2016

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

STATEMENT OF FINANCIAL PERFORMANCE (disclosure form) For 2015

Of the credit institution: Sberbank of Russia

Sberbank

Mailing address: 19, Vavilova St., Moscow 117997, Russian Federation

Form code under OKUD 0409807
Quarterly (Annual)
thousand RUB

Line number	Item	Explanation number	Figures for the reporting period	Figures for the relevant period of the previous year
1	2	3	4	5
I	ASSETS			
1	Interest income, total, including:	6.1	1.999.027.786	1.661.885.356
1.1	From funds deposited with credit institutions		45.298.638	31.835.665
1.2	From loans granted to customers other than credit institutions		1.823.328.858	1.500.795.759
1.3	From provision of services related to leasing		0	0
1.4	From investments in securities		130.400.290	129.253.932
2	Interest costs, total, including:	6.2	1.132.369.508	702.161.479
2.1	On deposits from credit institutions		246.600.692	189.112.244
2.2	On deposits from customers other than credit institutions		830.996.067	487.049.747
2.3	On debt securities in issue		54.772.749	25.999.488
3	Net interest income (negative interest margin)		866.658.278	959.723.877
4	Changes in the provisions for possible losses from loans, loan and equivalent debt, funds in correspondent accounts, as well as from accrued interest income, including:	5.3	-258.867.154	-279.570.299
4.1	Changes in the provisions for possible losses from accrued interest income		-5.995.500	-2.403.074
5	Net interest income (negative interest margin) less provisions for possible losses		607.791.124	680.153.578
6	Net income from operations with financial assets carried at fair value through profit or loss		-12.676.170	-64.381.373
7	Net income from operations with securities available for sale		-3.541.006	-12.662.037
8	Net income from operations with securities held to maturity		-695	-617
9	Net income from foreign currency operations		91.277.379	-1.472.913
10	Net income from revaluation of foreign currency	6.4	-6.152.110	172.702.496

Line number	Item	Explanation number	Figures for the reporting period	Figures for the relevant period of the previous year
1	2	3	4	5
11	Income from other equity participation		3.508.086	5.332.089
12	Fee and commission income	6.3	297.700.676	241.114.334
13	Fee and commission expenses	6.3	31.759.583	23.939.331
14	Changes in the provisions for possible losses from securities available for sale	5.4	1.533.840	78.023
15	Changes in the provisions for possible losses from securities held to maturity	5.6	-5.155.700	238.449
16	Changes in the provisions for other losses	4.5	-31.893.241	-11.517.623
17	Other operating income		16.073.495	42.227.454
18	Net income (expenses)		926.706.095	1.027.872.529
19	Operating expenses	6.5	619.806.168	598.666.217
20	Profit (loss) before taxation	3.2	306.899.927	429.206.312
21	Tax compensation (expenses)	4.5, 6.6	88.512.620	117.993.351
22	Profit (loss) after taxation	3.2, 6	218.387.307	311.212.961
23	Distributions from profits after taxation, total, including:		0	0
23.1	Distribution among shareholders (members) in the form of dividends		0	0
23.2	Deductions for creation and replenishment of reserve fund		0	0
24	Unused profit (loss) for the reporting period	6	218.387.307	311.212.961

**CEO, Chairman of the Board
of Sberbank**

H. O. Gref _____
(Full Name)

(Signature)

**Senior Managing Director, Chief Accountant –
Director of the Accounting
Department, Sberbank**

L.S.

M. Yu. Lukyanova _____
(Full Name)

(Signature)

March 30, 2016

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

**STATEMENT OF CAPITAL ADEQUACY
TO COVER RISKS, ALLOWANCE FOR POSSIBLE LOSSES
FROM LOANS AND OTHER ASSETS
(disclosure form)
as of January 1, 2016**

Of the credit institution: Sberbank of Russia

Sberbank

Mailing address: 19, Vavilova St., Moscow 117997, Russian Federation

Form code under OKUD 0409808
Quarterly (Annual)

Section 1. Information on the capital adequacy

Line number	Item	Explanation number	Figures as of the reporting date	Increase (+)/decrease (–) over the reporting period	Figures as of the start of the reporting year
1	2	3	4	5	6
1	Equity (capital) (RUB'000), total, including:	8	2.658.051.278	346.520.850	2.311.530.428
1,1	Sources of core capital:	8	2.053.477.832	174.400.166	1.879.077.666
1.1.1	Authorized capital, total, including authorized capital formed through:		8.710.844	0	8.710.844
1.1.1.1	Ordinary shares		8.710.844	0	8.710.844
1.1.1.2	Preferred shares		0	0	0
1.1.2	Paid-in capital in excess of par value		228.054.226	0	228.054.226
1.1.3	Reserve fund		3.527.429	0	3.527.429
1.1.4	Retained earnings:		1.813.185.333	174.400.166	1.638.785.167
1.1.4.1	of previous years		1.729.432.025	241.978.900	1.487.453.125
1.1.4.2	of the reporting year		83.753.308	-67.578.734	151.332.042
1.2	Items decreasing the sources of core capital:		296.916.120	45.401.447	251.514.673
1.2.1	Intangible assets		9.165.440	5.881.272	3.284.168
1.2.2	Deferred tax assets		0	0	0
1.2.3	Treasury shares (interests) redeemed from shareholders (members)		0	0	0
1.2.4	Losses:		0	0	0
1.2.4.1	of previous years		0	0	0
1.2.4.2	of the reporting year		0	0	0

Line number	Item	Explanation number	Figures as of the reporting date	Increase (+)/ decrease (–) over the reporting period	Figures as of the start of the reporting year
1	2	3	4	5	6
1.2.5	Investments in capital of financial institutions:		60.865.665	35.999.467	24.866.198
1.2.5.1	nonmaterial		0	0	0
1.2.5.2	material		60.865.665	35.999.467	24.866.198
1.2.5.3	Aggregate amount of material investments and aggregate amount of deferred tax assets		0	0	0
1.2.6	Negative value of additional paid-in capital		226.885.015	3.520.708	223.364.307
1.2.7	Obligations on acquisition of core capital sources		0	0	0
1.2.8	Funds received against payment of shares (interests) included into the core capital structure		0	0	0
1.3	Core capital		1.756.561.712	128.998.719	1.627.562.993
1.4	Sources of additional paid-in capital:	8	0	0	0
1.4.1	Authorized capital formed through preferred shares, total, including:		0	0	0
1.4.1.1	those issued in accordance with Federal Law No. 181-FZ dated July 18, 2009, On the Use of Government Securities of the Russian Federation for Increasing the Banks' Capitalization <1>		0	0	0
1.4.2	Paid-in capital in excess of par value		0	0	0
1.4.3	Subordinated loan with additional terms		0	0	0
1.4.4	Subordinated loan (deposit, loan, bond loan) without limitation of maturity period		0	0	0
1.5	Items decreasing the sources of additional paid-in capital		226.885.015	3.520.708	223.364.307
1.5.1	Investments in equity preferred shares		0	0	0
1.5.2	Investments in capital of financial institutions:		0	0	0
1.5.2.1	nonmaterial		0	0	0
1.5.2.2	material		0	0	0
1.5.3	Subordinated loan (deposit, loan, bond loan) provided to financial institutions		0	0	0
1.5.3.1	nonmaterial		0	0	0
1.5.3.2	material		0	0	0

Line number	Item	Explanation number	Figures as of the reporting date	Increase (+)/decrease (-) over the reporting period	Figures as of the start of the reporting year
1	2	3	4	5	6
1.5.4	Negative value of additional capital		0	0	0
1.5.5	Obligations on acquisition of additional paid-in capital sources		0	0	0
1.5.6	Funds received against payment of shares included into the additional paid-in capital structure		0	0	0
1.6	Additional paid-in capital		0	0	0
1.7	Fixed capital		1.756.561.712	128.998.719	1.627.562.993
1.8	Sources of additional capital:	8	975.807.013	257.724.309	718.082.704
1.8.1	Authorized capital formed through preferred shares, total, including:		35.000	-5.000	40.000
1.8.1.1	After March 1, 2013		0	0	0
1.8.2	Authorized capital formed through capital gains capitalization		59.000.000	0	59.000.000
1.8.3	Profit:		127.716.924	14.094.055	113.622.869
1.8.3.1	of current year		127.716.924	14.094.055	113.622.869
1.8.3.2	of previous years		0	0	0
1.8.4	Subordinated loan (deposit, loan, bond loan), total, including:	8	710.086.280	245.202.760	464.883.520
1.8.4.1	raised (placed) before March 1, 2013		45.820.880	-6.545.840	52.366.720
1.8.4.2	provided in accordance with Federal Law No. 173-FZ dated October 13, 2008, On Additional Measures to Support the Financial System of the Russian Federation <2> and Federal Law No. 175-FZ dated October 27, 2008, On Additional Measures to Strengthen the Stability of the Banking System in the Period up to December 31, 2014. <3>		500.000.000	200.000.000	300.000.000
1.8.5	Capital gain		78.968.809	-1.567.506	80.536.315
1.9	Items decreasing the sources of additional capital:		71.208.421	41.237.180	29.971.241
1.9.1	Investments in equity preferred shares		0	0	0
1.9.2	Investments in capital of financial institutions:		3.018	1.509	1.509
1.9.2.1	nonmaterial		0	0	0
1.9.2.2	material		3.018	1.509	1.509

Line number	Item	Explanation number	Figures as of the reporting date	Increase (+)/ decrease (-) over the reporting period	Figures as of the start of the reporting year
1	2	3	4	5	6
1.9.3	Subordinated loan (deposit, loan, bond loan) provided to financial institutions		71.205.403	41.235.671	29.969.732
1.9.3.1	nonmaterial		0	0	0
1.9.3.2	material		71.205.403	41.235.671	29.969.732
1.9.4	Obligations on acquisition of additional capital sources		0	0	0
1.9.5	Funds received against payment of shares as included into the additional capital structure		0	0	0
1.10	Items decreasing the amount of fixed and additional capital:		74.317.447	40.202.178	34.115.269
1.10.1	Accounts receivable overdue for more than 30 calendar days		1.026	998	28
1.10.2	Subordinated loans with value not exceeding 1% from authorized capital value of the borrowing credit institution <5>		3.108.000	-1.036.000	4.144.000
1.10.3	Excess of the aggregate amount of loans, banking guarantees, and sureties provided to own participants (shareholders) and insiders over its maximum size in accordance with federal laws and regulations of Bank of Russia		0	0	0
1.10.4	Excess of investments in construction, manufacture, and acquisition of fixed assets over the sum of fixed and additional capital sources		0	0	0
1.10.5	Excess of the actual value of share of a participant retired from a limited liability company over the cost at which the share was sold to another participant of a limited liability company		0	0	0
1.11	Additional capital		901.489.566	217.522.131	683.967.435
2	Risk-weighted assets (RUB'000) <4>:		x	x	x
2.1	those necessary for defining the core capital adequacy	8.2	22.303.121.102	2.560.615.710	19.742.505.392
2.2	those necessary for defining the fixed capital adequacy	8.2	22.303.121.102	2.560.615.710	19.742.505.392
2.3	those necessary for defining the equity (capital) adequacy	8.2	22.389.803.957	2.533.836.952	19.855.967.005
3	Capital adequacy (percentage) <4>:		x	x	x
3.1	Core capital adequacy	8.3	7,9	x	8,2

Line number	Item	Explanation number	Figures as of the reporting date	Increase (+)/ decrease (–) over the reporting period	Figures as of the start of the reporting year
1	2	3	4	5	6
3.2	Fixed capital adequacy	8.3	7.9	×	8.2
3.3	Equity (capital) adequacy	8.3	11.9	×	11.6

<1> Federal Law No. 181-FZ dated July 18, 2009, On the Use of Government Securities of the Russian Federation for Increasing the Banks' Capitalization (Compendium of Legislation of the Russian Federation, 2009, No. 29, item 3618; 2012, No. 31, item 4334, No. 52, item 6961).

<2> Federal Law No. 173-FZ dated October 13, 2008, On Additional Measures to Support the Financial System of the Russian Federation (Compendium of Legislation of the Russian Federation, 2008, No. 42, item 4698; 2009, No. 29, item 3605; No. 48, item 5729; No. 52, item 6437; 2010, No. 8, item 776; No. 21, item 2539; No. 31, item 4175).

<3> Federal Law No. 175-FZ dated October 27, 2008, On Additional Measures to Strengthen the Stability of the Banking System in the Period up to December 31, 2014 (Compendium of Legislation of the Russian Federation, 2008, No. 44, item 4981; 2009, No. 29, item 3630; 2011, No. 49, item 7059; 2013, No. 19, item 2308).

<4> The values of capital adequacy ratios as of January 1, 2015, have been calculated with due regard to the principles set forth in Letter No. 211-T dated December 18, 2014, of Bank of Russia as of January 1, 2016, with due regard to the principles set forth in Letter No. 01-41-1/8458 dated September 28, 2015, of Bank of Russia.

<5> The ratio is calculated pursuant to Clause 4 of Appendix to Bank of Russia Regulation No. 395-P dated December 28, 2012.

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

Subsection 2.1. Credit risk

RUB'000

Line number	Item	Explanation number	Figures as of the reporting date <4>			Figures as of the start of the reporting year <4>		
			Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)	Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)
1	2	3	4	5	6	7	8	9
1	Credit risk on assets recorded in the balance sheet accounts	8,2	17.929.341.531	17.188.923.430	12.952.284.586	16.057.509.949	15.387.999.786	11.082.326.791
1.1	Assets with risk coefficient of <1> 0 percent, total, including:		2.454.195.265	2.452.346.463	0	3.152.063.633	3.150.863.829	0
1.1.1	cash and required reserves deposited with Bank of Russia		586.685.386	586.685.386	0	1.286.024.434	1.286.024.434	0
1.1.2	credit claims and other claims secured by guarantees of the Russian Federation, the Russian Ministry of Finance, and Bank of Russia and the pledge of government debt securities of the Russian Federation, the Russian Ministry of Finance, and Bank of Russia		396.414.916	395.241.642	0	383.638.011	383.193.259	0
1.1.3	credit claims and other claims to the central banks and governments of countries with a country risk assessment of "0", "1" <2>, including those secured by the guarantees of these countries, etc.		0	0	0	0	0	0
1.2	Assets with risk coefficient of 20 percent, total, including:		1.709.753.758	1.708.539.243	341.707.849	1.255.138.076	1.244.766.120	248.953.224
1.2.1	credit claims and other claims to the subjects of the Russian Federation, municipal entities, and to other entities secured by guarantees and pledge of securities of the subjects of the Russian Federation and municipal entities		772.970.048	771.771.844	154.354.369	767.683.185	765.339.885	153.067.977

Line number	Item	Explanation number	Figures as of the reporting date <4>			Figures as of the start of the reporting year <4>		
			Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)	Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)
1	2	3	4	5	6	7	8	9
1.2.2	credit claims and other claims to the central banks and governments of countries with a country risk assessment of "2", including those secured by their guarantees (pledge of securities)		0	0	0	0	0	0
1.2.3	credit claims and other claims to credit institutions that are residents of countries with a country risk assessment of "0", "1" that have long-term credit ratings <3>, including those secured by their guarantees		790.800.054	790.800.054	158.160.011	447.999.132	439.968.504	87.993.701
1.3	Assets with risk coefficient of 50 percent, total, including:		839.573.387	839.087.663	419.543.832	325.231.830	321.894.745	160.947.373
1.3.1	credit claims and other foreign currency-denominated claims secured by guarantees of the Russian Federation, the Russian Ministry of Finance, and Bank of Russia and the pledge of government debt securities of the Russian Federation, the Russian Ministry of Finance, and Bank of Russia denominated in foreign currency		88.540.179	88.080.053	44.040.027	46.736.621	46.625.036	23.312.518
1.3.2	credit claims and other claims to the central banks and governments of countries with a country risk assessment of "3", including those secured by their guarantees (pledge of securities)		402.939	402.939	201.470	348.886	348.886	174.443

Line number	Item	Explanation number	Figures as of the reporting date <4>			Figures as of the start of the reporting year <4>		
			Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)	Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)
1	2	3	4	5	6	7	8	9
1.3.3	credit claims and other claims to credit institutions that are residents of countries with a country risk assessment of "0", "1" not having long-term credit ratings and to credit institutions that are residents of countries with a country risk assessment of "2", including those secured by their guarantees		141.356.966	141.356.966	70.678.483	113.056.262	113.056.262	56.528.131
1.4	Assets with risk coefficient of 100 percent, total, including:		12.921.653.434	12.184.784.374	12.184.784.374	11.321.174.205	10.666.572.887	10.666.572.887
1.4.1	loan debts of legal entities		6.565.131.278	6.101.586.593	6.101.586.593	6.511.018.241	6.023.805.736	6.023.805.736
1.5	Assets with risk coefficient of 150 percent: credit claims and other claims to the central banks and governments of countries with a country risk assessment of "7"		4.165.687	4.165.687	6.248.531	3.902.205	3.902.205	5.853.307
2	Assets with other risk coefficients:							
2.1	those with lower risk coefficients, total, including:		83.346.084	83.346.084	4.406.104	112.078.646	112.078.646	5.812.706
2.1.1	Mortgage loans with a risk coefficient of 70 percent		0	0	0	0	0	0
2.1.2	Claims of clearing members		83.346.084	83.346.084	4.406.104	112.078.646	112.078.646	5.812.706
2.2	those with higher risk coefficients, total, including:		4.297.980.255	3.958.226.615	5.201.006.646	4.182.357.268	3.987.277.464	4.425.323.034
2.2.1	those with a risk coefficient of 110 percent		2.086.830.349	1.897.665.688	2.087.432.257	2.574.509.167	2.460.287.056	2.202.709.805
2.2.2	those with a risk coefficient of 130 percent		257.089.265	231.286.151	288.439.656	371.876.589	352.838.289	424.131.915
2.2.3	those with a risk coefficient of 150 percent		1.872.838.072	1.748.052.207	2.622.078.310	1.198.718.375	1.136.898.982	1.705.348.473
2.2.4	those with a risk coefficient of 250 percent		81.222.569	81.222.569	203.056.423	37.253.137	37.253.137	93.132.841
2.2.5	those with a risk coefficient of 1000 percent		0	0	0	0	0	0

Line number	Item	Explanation number	Figures as of the reporting date <4>			Figures as of the start of the reporting year <4>		
			Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)	Cost assets (instruments)	Assets (instruments) less provisions for possible losses	Cost of risk-weighted assets (instruments)
1	2	3	4	5	6	7	8	9
3	Loans for consumer purposes, total, including:	8.2	738.560	672.515	954.121	80.043.164	73.540.799	80.947.743
3.1	those with a risk coefficient of 110 percent		0	0	0	79.938.053	73.441.212	80.785.334
3.2	those with a risk coefficient of 140 percent		704.852	651.186	911.661	72.212	68.104	95.346
3.3	those with a risk coefficient of 170 percent		23.616	16.559	28.150	23.623	23.087	39.247
3.4	those with a risk coefficient of 200 percent		0	0	0	0	0	0
3.5	those with a risk coefficient of 300 percent		10.092	4.770	14.310	8.068	7.520	22.561
3.6	those with a risk coefficient of 600 percent		0	0	0	1.208	876	5.255
4	Credit risk on credit related commitments, total, including:	8.2	3.502.741.788	3.465.132.274	1.277.751.140	3.307.247.585	3.270.728.064	1.460.133.469
4.1	that on financial instruments with high risk		1.275.323.310	1.260.345.455	1.253.362.988	1.465.318.220	1.447.736.936	1.440.261.444
4.2	that on financial instruments with average risk		3.933.808	3.491.500	1.892.903	5.685.959	5.114.718	2.425.868
4.3	that on financial instruments with low risk		112.460.152	112.450.338	22.495.249	87.190.737	87.190.737	17.446.157
4.4	that on financial instruments without risk		2.111.024.518	2.088.844.981	0	1.749.052.669	1.730.685.673	0
5	Credit risk on derivative financial instruments	8.2	314.647.647	x	345.568.333	400.031.812	x	612.261.978

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

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

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

<4> The information provided in Sections 1–4 as of January 1, 2015, has been calculated with due regard to the principles set forth in Letter No. 211-T dated December 18, 2014, of Bank of Russia as of January 1, 2016, with due regard to the principles set forth in Letter No. 01-41-1/8458 dated September 28, 2015, of Bank of Russia.

Subsection 2.2: Operational risk

(RUB'000 (Number))

Line number	Item	Explanation number	Figures as of the reporting date	Figures as of the start of the reporting year
1	2	3	4	5
6	Operational risk, total, including:	8.2	163.442.523	130.794.311
6.1	Income for the purpose of calculating the capital to cover the operational risk, total, including:		1.089.616.819	871.962.076
6.1.1	Net interest income		822.441.662	694.475.679
6.1.2	Net noninterest income		267.175.157	177.486.397
6.2	Number of years preceding the date of calculating the operational risk		3	3

Subsection 2.3. Market risk

RUB'000

Line number	Item	Explanation number	Figures as of the reporting date	Figures as of the start of the reporting year
1	2	3	4	5
7	Aggregate market risk, total, including:	8.2	240.207.865	207.334.314
7.1	Interest risk, total <1>, including:		11.226.462	12.731.635
7.1.1	General		8.197.903	11.427.925
7.1.2	Special		3.028.559	1.303.710
7.2	Stock market risk, total, including:		0	0
7.2.1	General		0	0
7.2.2	Special		0	0
7.3	Currency risk		99.877.090	48.188.876

<1> The information as of January 1, 2015, has been calculated with due regard to the principles set forth in Letter No. 211-T dated December 18, 2014, of Bank of Russia as of January 1, 2016, with due regard to the principles set forth in Letter No. 01-41-1/8458 dated September 28, 2015, of Bank of Russia.

Section 3. Information on the amount of provisions for possible losses from loans and other assets

RUB'000

Line number	Item	Explanation number	Figures as of the reporting date	Increase (+)/decrease (-) over the reporting period	Figures as of the start of the reporting year
1	2	3	4	5	6
1	Actual provisions for possible losses, total, including:	9.2	1.118.047.968	245.292.162	872.755.806
1.1	those from loans, debt, and debt equivalents		1.027.870.495	214.708.878	813.161.617
1.2	those from other balance assets related to risk of possible losses and from other losses		52.372.074	29.308.385	23.063.689
1.3	those from credit related commitments and securities, the rights to which are certified by depositories not meeting Bank of Russia criteria reflected in the off-balance accounts		37.767.881	1.255.744	36.512.137
1.4	for operations with offshore residents		37.518	19.155	18.363

Section 4. Leverage ratio information

Line number	Item	Explanation number	Figures as of the reporting date	Value as of the date one quarter after the reporting date <1>	Value as of the date two quarters after the reporting date	Value as of the date three quarters after the reporting date <1>
1	2	3	4	5	6	7
1	Authorized capital, RUB'000	8.6	1.756.561.712	1.793.614.861	1.708.375.453	1.753.446.818
2	Amount of balance sheet assets and off-balance-sheet claims at risk for calculating the leverage ratio, RUB'000		23.985.391.553	23.108.745.725	21.415.256.712	21.756.749.072
3	Leverage ratio under Basel III, percentage		7.3	7.8	8.0	8.1

<1> The data in column 5 as of October 10, 2015, and in column 7 as of April 1, 2015, has not been audited.

Reference section**Information on the flow of provisions for possible losses from loans, debt, and debt equivalents
(explanation number: 5.3)**

1	Creation (additional charge) of provisions in the reporting period (RUB'000), total, (explanation number: 5.3)	671.521.021
	including as a result of:	
1.1	Loans issued	187.251.880
1.2	Changes in loan quality	427.865.398
1.3	Changes in the official currency exchange rate against the ruble, as set by Bank of Russia	21.181.667
1.4	Other reasons	35.222.076
2	Recovery (decrease) of provisions in the reporting period (RUB'000), total, (explanation number: 5.3)	456.812.143
	including as a result of:	
2.1	Loans written of as uncollectible	44.559.664
2.2	Repayment of loans	241.743.577
2.3	Changes in loan quality	143.854.226
2.4	Changes in the official currency exchange rate against the ruble, as set by Bank of Russia	65.784
2.5	Other reasons	26.588.892

**CEO, Chairman of the Board
of Sberbank****H. O. Gref** _____
(Full Name) (Signature)**Senior managing director, chief accountant –
Director of the Accounting
Department, Sberbank****L.S.****M. Yu. Lukyanova** _____
(Full Name) (Signature)

March 30, 2016

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

STATEMENT OF OBLIGATORY RATIOS AND LEVERAGE RATIO (disclosure form) as of January 1, 2016

Of the credit institution: Sberbank of Russia

Sberbank

Mailing address: 19, Vavilova St., Moscow 117997, Russian Federation

Form code under OKUD 0409813
Quarterly (Annual)

Section 1. Information on obligatory ratios

as a percentage

Line number	Item	Explanation number	Regulatory requirement	Actual value <1>			
				as of the reporting date		as of the start of the reporting year	
1	2		3	4		5	
1	Core capital adequacy ratio (R1.1)	8.3	5.0		7.9		8.2
2	Fixed capital adequacy ratio (R1.2)	8.3	6.0		7.9		8.2
3	Equity adequacy ratio of the bank (R1.0)	8.3	10.0		11.9		11.6
4	Equity (capital) adequacy ratio of the nonbanking credit institution entitled to make transfers of funds without opening bank accounts and other related bank transactions (R1.3)						
5	Instant liquidity ratio of the bank (R2)	9.4	15.0		116.4		74.3
6	Current liquidity ratio of the bank (R3)	9.4	50.0		154.4		66.4
7	Long-term liquidity ratio of the bank (R4)	9.4	120.0		65.5		111.2
8	Maximum risk limit per borrower or group of related borrowers (R6)	9.2	25.0	maximum	20.0	maximum	19.2
				minimum	0.3	minimum	0.2
9	Maximum limit of large credit risks (R7)	9.2	800.0		197.5		207.5
10	Maximum amount of loans, bank guarantees, and warranties issued by the bank to its members (shareholders) (R9.1)	50.0		0.0		0.0	0.0
11	Aggregate risk ratio of the bank's insiders (R10.1)	3.0		0.8		1.0	1.1

Line number	Item	Explanation number	Regulatory requirement	Actual value <1>			
				as of the reporting date		as of the start of the reporting year	
1	2		3	4		5	
12	Ratio of the bank's equity (capital) used for purchasing shares (interests) in other legal entities (R12)	25.0		10.6		9.5	0.9
13	Ratio of the amount of liquid assets with maturity within the next 30 calendar days against the amount of liabilities of nonbank settlement credit institutions (R15)						
14	Liquidity ratio of the nonbanking credit institution entitled to make transfers of funds without opening bank accounts and other related bank transactions (R15.1)						
15	Ratio of maximum aggregate loans to customers involved in settlements for completion of settlement (R16)						
16	Ratio of loans to borrowers, other than those involved in settlements, from nonbank settlement credit institutions on their own behalf or for their own account (R16.1)						
17	Minimum ratio of mortgage cover and mortgage backed bonds in the issue (R18)						

<1> The values of capital adequacy ratios as of the start of the reporting year and as of the reporting date and the maximum risk percentage ratio for one borrower or a group of related borrowers (R6) as of January 1, 2015, are calculated with due regard to the principles set out in Bank of Russia Letter No. 211-T dated December 18, 2014, and as of January 1, 2016, with due regard to the principles set out in Bank of Russia Letter No. 01-41-1/8758 dated September 28, 2015

Section 2. Information on calculating the leverage ratio

Subsection 2.1. Calculation of the amount of balance sheet assets and off-balance-sheet claims at risk for calculating the leverage ratio

(thousand rubles)

Line number	Item	Explanation number	Amount
1	2	3	4
1	Amount of assets according to balance sheet (published form), total:		22.706.916.093
2	Correction related to investments into capital of credit, financial, insurance, and other institutions, the reporting data of which is included into consolidate financial statements but not included into the calculation of the amount of equity (capital), obligatory ratios, and amounts (limits) of open foreign exchange positions of the banking group		nonapplicable for statements of a credit institution as a legal entity

3	Correction related to fiduciary assets recorded in accordance with the accounting standards but not included into the calculation of the leverage ratio		0
4	Correction related to derivative financial instruments		13.768.783
5	Correction related to securities lending and borrowing		0
6	Correction related to reducing credit related commitments to credit equivalent		1.486.635.638
7	Other corrections		221.928.961
8	Amount of balance sheet assets and off-balance-sheet claims at risk for calculating the leverage ratio, after corrections, total:		23.985.391.553

Subsection 2.2: Calculation of the leverage ratio

(thousand rubles)

Line number	Item	Explanation number	Amount
1	2	3	4
Balance sheet assets risk			
1	Balance sheets assets, total:		22.154.248.334
2	Decreasing correction for the sum of items taken as a decrease in the core capital sources		296.916.120
3	Balance sheet assets at risk after correction (difference between lines 1 and 2), total:		21.857.332.214
Risk on operations with DFI			
4	Current credit risk on operations with DFI (less variation margin received), total:		230.977.739
5	Prospective counterparty credit risk on operations with DFI, total:		133.339.481
6	Correction for the amount of the nominal value of the collateral on operations with DFI subject to write-off from the balance in accordance with the accounting standards		nonapplicable in accordance with Russian Accounting Standards
7	Decreasing correction for the amount of the transferred variation margin in the established cases		
8	Correction as regards the claims of the clearing member bank to the central counterparty for trade settlements		0
9	Correction for recording the credit risk as regards the underlying (basic) asset for the DFI in issue		30.004.898
10	Decreasing correction as regards the credit DFI in issue		30.004.898
11	DFI risk after corrections (sum of lines 4, 5, and 9 minus lines 7, 8, and 10), total:		364.317.220
Risk on securities lending and borrowing			
12	Claims on securities lending and borrowing (netting ignored), total:		277.106.481
13	Correction for payment netting (claims and liabilities) on securities lending and borrowing		0
14	Credit risk per counterparty on securities lending and borrowing		0

15	Risk on guarantee transactions on securities lending and borrowing		0
16	Claims on securities lending and borrowing after corrections (sum of lines 12, 14, 15 minus line 13), total:		277.106.481
Risk for credit related commitments			
17	Nominal risk for credit related commitments, total:		1.277.751.140
18	Correction as regards applying the coefficients of credit equivalent		-208.884.498
19	Risk on credit related commitments after corrections (difference between lines 17 and 18)		1.486.635.638
Capital and risks			
20	Fixed capital		1.756.561.712
21	Balance sheet assets and off-balance-sheet claims at risk for calculating the leverage ratio (sum of lines 3, 11, 16, 19), total:		23.985.391.553
Leverage ratio			
22	Leverage ratio under Basel III (line 20/line 21), percentage	8,6	7,3

**CEO, Chairman of the Board
of Sberbank**

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

**Senior managing director, chief accountant –
Director of the Accounting
Department, Sberbank**

L.S.

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

March 30, 2016

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

CASH FLOW STATEMENT (disclosure form) as of January 1, 2016

Of the credit institution: Sberbank of Russia

Sberbank

Mailing address: 19, Vavilova St., Moscow 117997, Russian Federation

Form code 0409814
Quarterly (Annual)
thousand RUB

No.	Item	Explanation number	Cash flow for the reporting period	Cash flow for the relevant reporting period of the previous year
1	2	3	4	5
1	Net cash obtained from (used in) operating activities			
1.1	Total cash received from (used in) operating activities before changes in the operating assets and liabilities, including:		707.265.579	453.577.620
1.1.1	Interest received		1.953.462.085	1.633.521.887
1.1.2	Interest paid		-1.078.823.287	-660.681.744
1.1.3	Commission received		295.088.532	237.539.905
1.1.4	Commission paid		-31.722.011	-23.106.936
1.1.5	Income less expenses for operations with financial assets carried at fair value through profit or loss, available for sale		-68.302.552	-101.968.858
1.1.6	Income less expenses from operations with securities held to maturity		0	0
1.1.7	Income less expenses for operations with foreign currency		91.281.063	-1.444.415
1.1.8	Other operating income		14.945.466	19.237.124
1.1.9	Operating expenses		-444.088.435	-533.852.926
1.1.10	Tax expenses (compensation)		-24.575.282	-115.666.417
1.2	Increase (decrease) of net cash from operating assets and liabilities, total, including:		-690.197.152	206.525.282
1.2.1	Net increase (decrease) of required reserves in accounts with Bank of Russia		24.158.980	-30.392.956
1.2.2	Net increase (decrease) of investments in securities at fair value through profit or loss		-17.795.415	-61.517.040
1.2.3	Net increase (decrease) of lending receivables		-60.940.218	-2.495.187.378

No.	Item	Explanation number	Cash flow for the reporting period	Cash flow for the relevant reporting period of the previous year
1	2	3	4	5
1.2.4	Net increase (decrease) of other assets		-113.101.109	-72.536.711
1.2.5	Net increase (decrease) of loans, deposits, and other facilities of Bank of Russia		-2.754.071.170	1.525.067.615
1.2.6	Net increase (decrease) in deposits of other credit institutions		-174.025.664	-95.608.358
1.2.7	Net increase (decrease) in deposits of customers other than credit institutions		2.326.045.647	1.355.257.744
1.2.8	Net increase (decrease) of financial liabilities at fair value through profit or loss		0	0
1.2.9	Net increase (decrease) of debt instruments in issue		130.385.630	97.614.546
1.2.10	Net increase (decrease) of other liabilities		-50.853.833	-16.172.180
1.3	Totals of section 1 (item 1.1 + item 1.2)		17.068.427	660.102.902
2	Net cash obtained from (used in) investing activities			
2.1	Acquisition of securities and other financial assets categorized as "available for sale"		-645.178.294	-180.191.782
2.2	Proceeds from sale and redemption of securities and other financial assets categorized as "available for sale"		350.385.260	193.588.128
2.3	Acquisition of securities categorized as "held to maturity"		-97.809.212	-7.723.859
2.4	Cash received from redemption of securities "held to maturity"		48.497.962	83.894.704
2.5	Acquisition of fixed assets, intangible assets, and inventory		-50.803.061	-61.390.190
2.6	Proceeds from sale of fixed assets, intangible assets, and inventory		6.516.296	7.316.329
2.7	Dividends received		3.508.086	5.114.565
2.8	Totals for section 2 (sum of lines 2.1 to 2.7)		-384.882.963	40.607.895
3	Net cash obtained from (used in) financing activities			
3.1	Shareholders' (members') contributions to the authorized capital		0	0
3.2	Acquisition of equity shares (stocks) redeemed from the shareholders (members)		0	0
3.3	Sale of equity shares (stocks) redeemed from the shareholders (members)		0	0
3.4	Paid dividends	3.4, 8.4	-10.330.830	-72.126.514
3.5	Totals of section 3 (sum of lines 3.1 to 3.7)		-10.330.830	-72.126.514
4	Impact of changes to the official currency exchange rates against the ruble as set by Bank of Russia on cash and cash equivalents		112.018.639	86.649.889
5	Increase (use) of cash and cash equivalents		-266.126.727	715.234.172

No.	Item	Explanation number	Cash flow for the reporting period	Cash flow for the relevant reporting period of the previous year
1	2	3	4	5
5.1	Cash and cash equivalents as of the start of the reporting year	5.1	1.822.721.751	1.107.487.579
5.2	Cash and cash equivalents as of the end of the reporting period	5.1	1.556.595.024	1.822.721.751

**CEO, Chairman of the Board
of Sberbank**

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

**Senior managing director, chief accountant –
Director of the Accounting
Department, Sberbank**

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

March 30, 2016

Explanatory Information to the Annual Accounting (Financial) Statements Sberbank for 2015

**Prepared in accordance with
Bank of Russia Directive No. 3081-U
dated October 25, 2013,
On Disclosures by Credit Institutions
Related to their Operations**

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This Explanatory Information:

- is an integral part of the annual accounting (financial) statements¹ of Sberbank² for 2015 prepared in accordance with the legislation in effect in the Russian Federation;³
- provides for the disclosure of material information on Sberbank's operations that has not been presented in the interim statements;
- is based on statutory reporting forms⁴ and other forms of the Bank prepared under Russian Accounting Standards⁵ and does not include the information from consolidated financial statements of Sberbank Group;⁶
- takes into account events after the reporting date;
- is presented in RUB millions, unless otherwise specified;
- includes comparable figures for 2015 and 2014.

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

¹ Hereinafter referred to as the "Annual reports".

² Hereinafter referred to as the "Sberbank," the "Bank".

³ Bank of Russia Ordinance No. 3081-U dated October 25, 2013, On Disclosures by Credit Institutions Related to Their Operations.

⁴ Bank of Russia Ordinance No. 2332-U dated November 12, 2009, On the List, Forms, and Procedures for Preparing and Submitting Reporting Forms by Credit Institutions to the Central Bank of the Russian Federation.

⁵ Hereinafter referred to as the "RAS".

⁶ Hereinafter referred to as "the Group," the "Sberbank Group".

1. General Information

Full corporate name of the Bank: Sberbank of Russia.

Short corporate name of the Bank: Sberbank.

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

2. Sberbank Banking Group

During 2015, the number of members of the banking group changed by 9 and as of January 1, 2016, is made up of 230 companies.

	Jan 1, '16	Jan 1, '15
Number of members of the Group, including	230	221
Direct control	43	42
Indirect control	184	176
Indirect control and at the same time direct participation	3	3

The Bank draws up its consolidated statements under RAS in accordance with the Accounting Policy of Sberbank banking group. The consolidated statements of Sberbank Group as of January 1, 2016, include the statements of 86 companies.

Company name	Share of control Groups (%)
<i>Direct control by the Bank</i>	
1 Sberbank Leasing Joint-Stock Company	100.0000
2 Sberbank Capital Limited Liability Company	100.0000
3 Subsidiary Bank Sberbank of Russia Open Joint-Stock Company	99.9977
4 Sberbank Public Joint-Stock Company	100.0000
5 Sberbank Investments Limited Liability Company	100.0000
6 Sberbank – Automated Trading System Closed Joint-Stock Company	100.0000
7 BPS-Sberbank Open Joint-Stock Company (group of companies)*	98.4266
8 SB International S.a.r.l. (group of companies)*	100.0000
9 Sberbank Europe AG (group of companies)*	100.0000
10 Sberbank Financial Limited Liability Company	100.0000
11 Cetelem Bank Limited Liability Company	79.2000
12 Denizbank Anonim Sirketi (group of companies)*	99.8526
13 Sberbank Private Pension Fund Joint-Stock Company	100.0000
14 Sberbank Life Insurance Company Ltd.	100.0000
15 Promising Investments Limited Liability Company	100.0000
<i>Indirect control by the Bank</i>	
1 Sberbank (Switzerland) AG	99.2800

* Companies that submit reports by subgroups (in aggregate, the subgroups have 74 companies, including parent companies).

The remaining 140 companies and 4 closed unit investment funds produce an insignificant impact on the financial indicators of the Bank or are not covered by the requirements of Clause 1.2 of Bank of Russia Ordinance No. 3090-U dated October 25, 2013, On the Calculation of the Amount of Equity (Capital), Required Ratios, and Amounts (Limits) of Open Currency Positions of Banking Groups.

The following companies have been excluded from the consolidation perimeter as those not covered by Clause 1.2 of Bank of Russia Ordinance No. 3090-U dated October 25, 2013 On Calculating the Amount of Equity (Capital), Required Ratios, and Amounts (Limits) of Open Currency Positions of Banking Groups:

- Krasnaya Polyana OJSC
- DerWays Automotive Company LLC

- Auktsion LLC
- KIPARISIANA INVESTMENT LTD
- Mosstroyvozhrozhdenie OJSC
- Ski Resort Manzherok CJSC
- GeoProMiningInvestment (CYP) Limited
- Rublyovo-Arkhangelskoye JSC

As of January 1, 2016, Sberbank continues to control or have a considerable impact on these companies.

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

- Subsidiary banks: in the Republic of Kazakhstan, Ukraine, Republic of Belarus, Switzerland, Austria (with a chain of banks in the Czech Republic, Slovakia, Hungary, Croatia, Serbia, Slovenia, Bosnia and Herzegovina, Banja Luka in Bosnia and Herzegovina, and a branch in Germany), Turkey (with a subsidiary bank in Austria)
- Financial companies: in the Republic of Kazakhstan, Ireland, United States of America, Great Britain, and Cyprus

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

In India, the Bank is represented by Sberbank Branch in New Delhi; in Bahrain, by the branch of its subsidiary DenizBank A.S.

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

This Explanatory Information is included in the annual financial statements of Sberbank under RAS for 2015 and does not include the consolidated statements of the Group or individual reporting data of the Group's members.

The consolidated financial statements of Sberbank prepared under the International Financial Reporting Standards (hereinafter referred to as the "IFRS") are disclosed on the official website of Sberbank at www.sberbank.com.

3. Brief Description of Activities of the Bank

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

Sberbank's core business is banking operations:

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

The Bank operates under General License No. 1481 for Banking Operations issued by Bank of Russia on August 11, 2015. In addition, Sberbank holds licenses for banking operations of attracting deposits and placing precious metals, other operations with precious metals, licenses of a professional securities market participant to act as a broker, dealer, depositary, and a securities manager.

Sberbank has been a member of the deposit insurance system since January 11, 2005. Pursuant to Russian laws, the Bank makes quarterly insurance contributions to the Mandatory Deposit Insurance Fund. In 2015, the Bank incurred RUB 34.6 billion of expenses on deductions to this Fund, which exceeded the 2014 figure by 13.3% due to a higher volume of funds raised from individuals.

3.2. Key Performance Indicators for 2015

Sberbank ended 2015 with the following economic figures.⁷

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Assets	22,706,916	21,746,760
Capital ⁸	2,658,051	2,311,530
	2015	2014
Profit before taxes	306,900	429,206
Profit after taxes	218,387	311,213

In 2015, Bank assets increased mainly due to loans issued to its clients and investment in securities and other financial assets available for sale.

Capital as of January 1, 2016, amounted to RUB 2,658 billion, which is RUB 347 billion more when compared to the same figure as of January 1, 2015.

The key factors increasing capital are earned net profit and the inclusion in additional capital of a RUB 200 billion subordinated loan from Bank of Russia raised in 2014. In December 2015, the Bank also included in capital a subordinated loan from PPF.

⁷ Here and elsewhere, the figures provided in the tables may differ from calculation data as a result of rounding.

⁸ Capital is calculated in accordance with Regulation No. 395-P dated December 28, 2012, On Methods for Defining the Value and Assessing the Adequacy of Equity (Capital) of Credit Organizations (Basel III) approved by Bank of Russia and in effect as of the corresponding reporting date (hereinafter referred to as the "Bank of Russia Regulation No. 395-P").

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

Ratings Assigned to Sberbank by International Agencies

	<i>Jan 1, '16</i>		<i>Jan 1, '15</i>	
	<i>Fitch Ratings</i>	<i>Moody's</i>	<i>Fitch Ratings</i>	<i>Moody's</i>
Long-term foreign currency rating				
Sberbank	BBB-	Ba2	BBB	Ba1
Russian Federation	BBB-	Ba1	BBB	Baa2
Rating of international liabilities				
Loan participation notes issued as part of Sberbank's MTN program	BBB-	Ba1	BBB	Baa2
Eurobonds of the Russian Federation	BBB-	Ba1	BBB	Baa2

3.3. Factors Affecting the Bank's Financial Results in 2015

Based on the results of 2015, GDP decreased by 3.7%⁹ in YoY terms (increase by 0.6%⁹ in 2014). The economy has been contracting for 6 quarters running starting from the third quarter of 2014, and based on GDP as of the end of 2015 the Russian economy corresponds to the same level as in 2011.

The aggravation of the recession depended largely on such factors as unfavorable conditions with raw materials, particularly falling oil prices, the effect of international sectoral sanctions introduced against Russia, contraction of investment, and reduced household consumption.

Throughout 2015, the price of Urals per barrel fell by 47.4% on average¹⁰ (in 2014, by 9.6%¹⁰) having reached its local minimum of \$33.62¹⁰ per barrel in December 2015). In 2015, investment decreased by 8.4%⁹ (in 2014, by 1.5%⁹). Retail sales in 2015 decreased by 10%⁹ compared to an increase by 2.7%⁹ in 2014. The decline in the retail sector was aggravated as a result of an acceleration in the decline of real available income by 4%⁹ in 2015 compared to a decline of 0.7%⁹ in 2014, the transition of the population to a savings behavioral model, and the start of retail lending contraction by 6.3%⁸ compared to its growth by 12.5%¹¹ in 2014 (after an adjustment for currency revaluation). The transition of the population to a savings behavioral model became visible in the growth of the share of income that goes into savings, which was 14.1%⁹ in 2015, 7%⁹ in 2014, and 10%⁹ for the rather stable period of 2011–2013, which is typical. As a result thereof, the growth of the private deposit rate in 2015 reached 16.8%¹¹ compared to its decrease by 2.5%¹¹ in 2014 (after an adjustment for currency revaluation).

The weakening of the ruble that started in the end of 2014 resulted in the drastic contraction of imports by 25.6%⁹ in 2015 compared to the same period last year, which supported the GDP trend statistically speaking. Export and import transactions are the only GDP component that makes a positive contribution to the increase of this indicator.

⁹ According to Rosstat.

¹⁰ Based on data from Reuters.

¹¹ Based on Bank of Russia estimates, RAS data.

Based on the results of 2015, the industrial production index decreased by 3.4%⁹ (vs 1.7% growth⁹ in 2014). The economic slowdown occurred simultaneously with an acceleration of inflation due primarily to the abrupt weakening of the ruble and the introduction of a food embargo by Russia on a number of imported products. Inflation sped up in Q1 2015 and reached its peak in March 2015, after which declining internal demand and a strengthening of the ruble provided for a slowdown of price growth. The indexation of tariffs for utility services and repeated weakening of the ruble (which mostly affected nonfood goods) in the middle of 2015 slowed down the decline in inflation. As of the end of 2015, inflation totaled 12.9%⁹ having exceeded the 2014 indicator of 11.4%.⁹

In 2015, the ruble exchange rate demonstrated a multidirectional trend. By mid-May 2015, the ruble strengthened by 19% against the dollar and 15% against the euro after regaining a significant portion of what it lost in December 2014. After repeated considerable falls in oil prices in the middle of 2015, the Russian national currency continued to weaken. As of the end of 2015, the exchange rate exceeded 70 rubles per 1 US dollar. The weakening of the ruble cushioned the effect of halved oil prices on federal budget income, which fell by 5.8%⁹ compared to 2014 (11.3% increase¹² in 2014), and the deficit in 2015 was 2.4%¹² of GDP after a deficit of 0.4%¹² of GDP in 2014.

After the sharp rate increase in December 2014, Bank of Russia lowered the key rate consistently throughout the first half of 2015. Summer acceleration of inflation led to a rise in inflation expectations prompting Bank of Russia to first slow its pace of lowering the key rate and suspend monetary easing starting August 2015. As a result, the key rate remained at 11%, and only the emergency rate hike in December 2014 proved to be almost completely recouped.

In the first half of 2015, capital outflow slowed down gradually switching out for capital inflow in the amount of about \$3 billion¹¹ in the third quarter of 2015. In the fourth quarter of 2015, capital outflow resumed and amounted to \$9 billion¹¹. Capital outflow was mostly supported by the banking sector. As of the end of 2015, capital outflow amounted to \$56.9¹¹ compared to \$153 billion¹¹ in 2014 (after being adjusted for foreign currency provided under currency repurchase transactions, currency swap transactions, and correspondent accounts of resident banks in Bank of Russia, capital outflow amounted to \$50 billion¹¹ compared to \$132 billion¹¹ in 2014).

The macroprudential policy of Bank of Russia, the provision of foreign currency repurchases for banks, and the decision of the Russian government on the additional capitalization of the banking system with Federal Loan Bonds (FLB) suppressed the banking crisis in the beginning of 2015. The banking sector of Russia ended 2015 with a profit of 192¹¹ billion rubles. However, this indicator reflects a decline by three times compared to the results of 2014. Given the profits earned by the Bank, the rest of the Russian banking system registered a net loss.

The growth of interest expenditures in the banking sector that are not compensated by the proportional growth of interest income is a significant factor of income contraction in the Russian banking system. In 2015, private deposits grew by 16.8%¹¹ (after an adjustment for currency revaluation), corporate deposits and funds, by 2.7%¹¹ (after an adjustment for currency revaluation), along with stagnation in lending. In 2015, the general corporate portfolio growth in the Russian banking system amounted to 0.1%¹¹ compared to a growth of 12.9%¹¹ in 2014 (after an adjustment for currency revaluation), and loans to retail sector decreased by 6.3%¹¹ compared to growth of 12.5%¹¹ in 2014 (after an adjustment for currency revaluation).

A substantial decrease in profit earned by the Russian banking system resulted, among other things, from a deterioration in the quality of the loan portfolio. The share of past-due debt as of the end of 2015 grew from 4.2%¹¹ to 6.2%¹¹ for the corporate, and from 5.9%¹¹ to 8.1%¹¹ for the retail loan portfolio. As a result of this trend, banks have to allocate considerable resources

¹²Based on data of the Ministry of Finance of Russia.

for the formation of provisions for losses in the loan portfolio. The amount of deductions on the creation of provisions for the depreciation of the loan portfolio formed by the bank in 2015 exceeds 2014 levels by 12.5%,¹¹ and by 3.3 times compared to the indicator of 2013.¹¹ The reduction of the banking sector's dependence on funds raised from Bank of Russia is another result from 2015: its share in the total liabilities and equity of the banking system decreased from 12%¹¹ to 6.5%¹¹ (a decrease of 3.9 trillion rubles¹¹ in absolute terms) in 2015.

In this light, the situation in the financial markets throughout 2015 was tense. The RTS index decreased by 4.3% from the start of 2015, while the MICEX index grew by 26.1%. The ruble capitalization of the Bank in 2015 grew by 85%.

At the end of January 2015, the S&P credit rating agency lowered Russia's rating from the investment-grade BBB- rating to the speculative-grade BB+ rating. In February 2015, Moody's followed suit and lowered Russia's rating to the speculative Ba1 level.

3.4. Resolutions on Distribution of Net Profits

On May 29, 2015, the annual General Shareholders' Meeting approved the recommendations of the Supervisory Board on the distribution of profits and payment of dividends for 2014 on ordinary shares of the Bank in the amount of RUB 0.45 per share and on preferred shares in the amount of RUB 0.45 per share. The total amount of dividends as of the end of 2014 came out at RUB 10,164 million.

The issue of the dividend payment for 2015 will be considered at a meeting of the Supervisory Board of the Bank. Then, the total amount of profit to be distributed and the amount of dividends per 1 share of each category will be recommended to the General Shareholders' Meeting for approval. Notice of this will be posted in accordance with the Russian laws on Sberbank's website at www.sberbank.com.

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

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

The accounting at the Bank is performed in accordance with effective Russian legislation, Bank of Russia Regulation No. 385-P,¹³ and other normative acts of Bank of Russia that regulate the Bank's activity.

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

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

- The assets and liabilities in foreign currency (save for the amounts of received and issued advances and advance payments for the goods, works, and services delivered, which are recognized on the balance-sheet accounts of settlements with nonresident entities for business transactions) and precious metals are revalued as the exchange rate and the metal price change in accordance with the regulations of Bank of Russia. Below are the official exchange rates of foreign currencies against the ruble at the end of the reporting period used by the Bank to prepare the annual statements:

	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
RUB/USD	72.8827	56.2584
RUB/EUR	79.6972	68.3427

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

¹³ Bank of Russia Regulation No. 385-P dated July 16, 2012, On the Rules of Accounting by Credit Institutions Located within the Russian Federation (hereinafter referred to as the "Bank of Russia Regulation No. 385-P").

(coupon) income paid upon its acquisition. If securities are acquired under a contract that is a derivative financial instrument (hereinafter referred to as the "DFI"), the cost of securities is determined by taking into account the DFI cost.

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

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

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

When transferring the securities from the "held to maturity" portfolio to the "available for sale" portfolio without meeting one of the conditions mentioned above, all the securities in the "held to maturity" portfolio are subject to transfer to the "available for sale" portfolio. In this case, the Bank is not permitted to create a "held to maturity" portfolio for a period of two years following the year of such transfer.

- Derivative financial instruments are estimated at their fair value from the initial recognition date. Revaluation of derivative financial instruments is carried out on a daily basis, including on the date of derecognition of a derivative financial instrument.
- Noncredit related commitments are recognized in the accounting records based on the materiality criterion: the amounts of noncredit related commitments exceeding RUB 30 million, or USD 1 million, or EUR 1 million, shall be recognized as material to record them in the off-balance sheet account for noncredit related commitments.
- According to Bank of Russia Regulation No. 385-P, the income and expenses are recognized in the accounting records by using the "accrual" method, meaning the financial results of transactions (income and expenses) are recorded in the accounting system when they actually occur, and not when the cash (or cash equivalents) are received or paid. The income and expenses shall be recorded in the accounts in the period to which they relate. Income from loans, assets (claims) attributed to quality categories I and II shall be considered well-defined (the probability of obtaining this income is absolute and/or high). There is no ambiguity in obtaining income from loans and assets (claims) attributed to quality category III. This principle applies to all loans, assets (claims) attributed to quality category III with no exception.

For loans, assets (claims) attributed to quality categories I, II, and III, the acknowledged income is recorded in the balance sheet accounts.

- In the event of retirement (sale) of securities from the same issue or securities with the same international securities identification number (ISIN), the write-off from second-level accounts of the balance sheet is based on the FIFO method. In accordance with the FIFO method, the investments in the security that was acquired first with regard to the date of the sale shall be written off during retirement. The FIFO method shall be applied within each portfolio of securities.
- The Bank accrues amortization on fixed asset items and intangible assets on a monthly basis. For fixed asset items accepted to accounting after January 1, 2003, the depreciation rates are calculated based on their useful lives established by Resolution No. 1 of the Government of the Russian Federation dated January 1, 2002, On the Classification of Fixed Assets Included in Depreciation Groups and subject to the provisions of the Accounting Policy of Sberbank for tax purposes as it pertains to defining the useful life of amortized property.

The useful life of intangible assets accepted for accounting after January 1, 2009, is determined based on expected useful life of the asset with assumed economic benefits. No depreciation is accrued for intangible assets accepted for accounting after January 1, 2009, where it is impossible to reliably determine the useful life.

4.2. Nature of Assumptions and Main Sources of Valuation Uncertainty at the End of the Reporting Period

The Bank applies a number of assumptions that impact upon the amounts of assets and liabilities as reflected in the annual statements and upon the value of the assets and liabilities in the next reporting period. The estimates and assumptions are regularly analyzed based on the experience of the Bank's management and other factors, including expectations of future events that – in the opinion of the management – are believed to be reasonable to expect under the circumstances. The assumptions that have the most material effect on the figures in the annual statements and the estimates, that can cause material adjustments to the current value of assets and liabilities in the next reporting period include the following.

Provisions for Possible Losses from Loans, Debt, and Debt Equivalents

The Bank sets provisions for possible losses on loans, loan debt, and its equivalents in accordance with the requirements of Bank of Russia Regulation No. 254-P.¹⁴

The Bank uses the valuation of loans on a portfolio and individual basis.

The assessment of a loan assessed on an individual basis and determination of the amount of the estimated provision shall be implemented based on professional judgment for a specific loan formed based on the results of comprehensive analysis of the borrower's activity and taking into account its financial position, quality of debt servicing, and other material factors. To ensure the timely nature of the classification (reclassification) of loans and the creation (or adjustment of the size) of the provision, monitoring of credit risk factors that influence the size of the formed provision shall be regularly performed for individual loans. Revaluation shall be performed quarterly or if credit risk factors are revealed.

For loans included in the portfolio of similar loans, the provision shall be formed based on professional judgment for the portfolio of similar loans, without pronouncement of professional judgment on the level of credit risk for each loan individually. The portfolio of similar loans shall include loans with similar credit risk characteristics—that is, loans that are extended to individuals and small businesses on standard terms and conditions, as specified by the Bank's normative documents, and also as part of individual lending arrangements approved by separate decisions of collegial bodies of the Bank. The Bank does not monitor individually the credit risk factors for each loan included in the portfolio of similar loans. Each of the loans included in the portfolio of similar loans shall be subject to individual revaluation if the Bank receives documents or information that evidence a change in material factors that influence the affiliation of a loan with a portfolio or specific subportfolio. The level of credit risk for portfolios/subportfolios of homogeneous loans/groups of standard and impaired loans is analyzed at least once every three months.

Provision for Possible Losses

The Bank sets provisions for possible losses in accordance with the requirements of Bank of Russia Regulation No. 283-P.¹⁵ Within compliance with the requirements of the regulator,

¹⁴ Bank of Russia Regulation No. 254-P dated March 26, 2004, On the Procedure for Establishing Provisions for Possible Losses on Loans, Loan Debt and Its Equivalents by Credit Institutions.

¹⁵ Bank of Russia Regulation No. 283-P dated March 20, 2006, On the Procedure for Creating Provisions for Possible Losses by Credit Institutions (hereinafter referred to as the "Bank of Russia Regulation No. 283-P").

an internal normative document of the Bank provides for individual classification of the elements of the provision calculation base and attributing them to portfolios of similar claims/commitments.

Individual classification of an element assumes preparing an individual professional judgment about the level of risk based on an evaluation of the probability of an element's total loss and taking into account the factors (circumstances) specified by Bank of Russia Regulation No. 283-P.

Elements of the provision base are included in the portfolio of similar claims/commitments based on the principle of immateriality of the amount of the element without a pronouncement made in relation to each element of the professional judgment separately. The provision is created on the basis of a professional judgment for the portfolio of similar claims/commitments.

The amount of the provision shall be determined according to one of the five quality categories and the standard for provisioning within a range set out for the category in Bank of Russia Regulation No. 283-P.

Tax Legislation

Russian tax, currency and customs legislation allow for different interpretations and are subject to frequent amendments. Interpretation by the Bank's management of such legislation that applies to the transactions and activities of the Bank may be challenged by the relevant government authorities. As a result thereof, the tax bodies may bring claims against the operations and accounting methods they had never challenged earlier. This may lead to the accrual of additional taxes, penalties, and fines.

On January 1, 2015, Federal Law No. 376-FZ dated November 24, 2014, took effect and enacted taxation rules for controlled foreign companies and introduced the concepts of a beneficiary income owner and the fiscal residence of legal entities. The adoption of this law is generally associated with an increase in the administrative and, in some cases, tax burden on Russian taxpayers with foreign subsidiaries and/or carrying out transactions with foreign companies.

The introduction of said rules and the interpretation of other specific provisions of the Russian tax laws in combination with the latest tendencies in law enforcement practices indicate the possibility of increasing the amounts of tax payable and the size of penalties, among other things, due to the fact that tax authorities and courts may take a tougher position when applying the law and verifying tax settlements. Furthermore, it is impossible to determine their amount and assess the probability of an unfavorable outcome in the event of any claims filed by tax authorities. Tax audits may cover three calendar years immediately preceding the year of audit. Under certain conditions, earlier periods may be audited as well.

Bank management has interpreted the provisions of tax legislation applicable to the Bank proper as of January 1, 2016.

Fair Value of Financial Instruments

The fair value is seen as the value for which the financial instrument may be exchanged in the course of a transaction between interested parties, which differs from forced sale or liquidation. The best indicator of fair value is the market price. The Bank calculates the fair value of financial instruments on the basis of the market information, if available, and the proper evaluation techniques. The fair value of financial instruments that are not quoted in an active market is determined by using valuation techniques. The management uses all available market information to estimate the fair value of financial instruments.

4.3. Changes in Accounting Policy. Adjustments Associated with a Change in Accounting Policy and Estimates that Influence the Comparability of the Indicators of Activity

The accounting policy that was used by the Bank throughout 2015 is generally comparable to the accounting policy that was in effect in 2014. The changes in the accounting policy for 2015 are caused by amendments to Bank of Russia regulatory documents on accounting procedures and have had no material effect on the comparability of individual indicators in the annual statements.

Due to entry into force of Bank of Russia Letter No. 215-T dated December 22, 2014, On Methodological Recommendations "On the Account of Repo Agreements", the accounting of transactions with securities obtained under repo agreements and transferred under other repo agreements has changed. In accordance with new methodological recommendations, the requirements for supply of securities obtained under one repo agreement and transferred under other repo agreement are reflected on off-balance account 91419. In the Statements as of January 1, 2015, the size of assets and liabilities recorded on the balance sheets and associated with transfer of securities obtained under repo agreements amounted to 144.7 billion rubles.

4.4. Material Errors in the Annual Statements

According to the Bank's Accounting Policy, an error is recognized as material if either individually or in totality with other errors committed in one and the same reporting period it influences the financial result of the Bank's activity for the period after the reporting date to the date of approval of annual financial statements in the amount of 1% of the Bank's equity as of January 1, excluding EARD, for the period after the approval of annual financial statements in the amount of 1% of the Bank's equity as of January 1, including EARD.

In 2014, no material error that would require adjustment to comparative data has been identified.

4.5. Information on Adjusting Events after the Reporting Date

The Bank draws up its annual reports subject to events after the reporting date ("EARD") that occur between the reporting date and the date of signing the annual reports and affect or might affect the Bank's financial standing.

Adjusting EARD are recognized in the accounting records. Adjusting EARD are events confirming, as of the reporting date, the existence of the conditions in which the Bank has operated.

The total volume and members of EARD for 2015 are reflected in the consolidated turnover statement in the form of Appendix 13 to Bank of Russia Regulation No. 385-P.

According to Bank of Russia Directive No. 3054-U and the Bank's Accounting Policy, the accounting records contain, in particular, the following adjusting EARD:

- Carryover of the balances from the profit and loss accounts of the accounting year to the profit and loss accounts of the previous year, namely:
 - ✓ RUB 91,364,006.7 million from income accounts
 - ✓ RUB 91,127,750.6 million from expense accounts
- RUB 5,921.0 million from tax adjustments and charges paid by the Bank (an increase of RUB 5,744.8 million and reduction of RUB 11,665.8 million)
- The adjustment of loss provisions (including for contingent credit-related liabilities) created as of the reporting date subject to information on the prevailing conditions as of the reporting date received when drawing up the annual reports in the amount of RUB 4,101.0 million (an increase of RUB 4,204.3 million and reduction of RUB 103.3 million)

- Upward adjustment of the provision with regard to estimated noncredit liabilities of RUB 243.8 million
- Receipt after the reporting date of source documents confirming transactions performed before the reporting date and/or determining (specifying) the cost of the work, services, and assets for such transactions and specifying the income and expenditures reflected in the accounting records in the amount of RUB 5,396.8 million (increase of income by RUB 3,868.3 million; increase of expenses by RUB 9,265.1 million)
- Increase in income tax for deferred income tax in the amount of RUB 14,048.2 million
- Reduction of additional paid-in capital for deferred income tax in the amount of RUB 6,622.4 million
- The transfer of investments in shares accounted on book account 50709 Equity securities assessed at their net value on book account 60104 Shares of nonresident subsidiaries and affiliates in the amount of RUB 8,139.5 million

4.6. Nonadjusting Events after the Reporting Date

In January 2016, Sberbank has fully repaid the issue of the 13th series of loan participation notes in the amount of RUB 25 billion, which was raised in January 2013 under the MTN program of Sberbank with a contract interest rate of 7% per annum.

On March 18, 2016, the international rating agency Moody's canceled its rating under the national scale (Aa1.ru) that was awarded by the joint venture Rating Agency Moody's Interfax (RAMI). This decision was made in light of the changes in Russian laws and in connection with the termination of RAMI's activity in the Russian Federation. The Bank believes that this event will not produce any considerable impact on its activity.

4.7. Changes of the Bank's Accounting Policies for 2016

The accounting policy for the purpose of bookkeeping in 2016 has been amended in connection with the enactment of new Bank of Russia Regulations on January 1, 2016. The key amendments are presented below.

Due to the enactment of Bank of Russia Regulation No. 446-P,¹⁶ the Accounting Policy section governing the accounting of Bank income and expenses has been amended.

The new wording of the Accounting Policy specifies that income, expenses, and other comprehensive income are reflected in the accounting books and proceed from the rules and in accordance with the procedure set forth in Bank of Russia Regulation No. 446-P.

The classification of income/expenses has been adjusted. Depending on their nature and types of operations, income and expenses are divided into:

- Interest income and interest expenses
- Operating income and operating expenses

The rule for the recognition and identification of income/expenses on asset supply (sale) transactions has been updated:

- Income shall be recognized as a result of asset supply (sales), the performance of work, and provision of services, provided that the credit institution has transferred to the buyer the risks and benefits associated with ownership of the asset supplied, no longer controls

¹⁶Bank of Russia Regulation No. 446-P dated December 22, 2014, On the Procedure for Determining Income, Expenses, and Other Comprehensive Income of Credit Institutions (hereinafter referred to as the "Bank of Russia Regulation No. 446-P").

the asset being supplied (sold), and does not take part in its management, or provided that the work has been accepted by the customer and the service has been provided.

- Expense is defined as the difference between the fair value of compensation received or due (proceeds from sale) and the book value of assets and shall be recognized in the accounting books as of the transfer date of buyer risks and benefits associated with the ownership over the asset supplied (sold) and its control and management, regardless of the terms of payment set forth in the agreement (i.e., advance payment, down payment, deferred payment, payment by installments).

In addition, the Accounting Policy indicates changes in the procedure for recognizing income/expenses as interest/noninterest income/expenses:

- Depending on the type of transaction, fee and commission income and expenses may be qualified as interest or operating income/expenses.
- Income (excluding interest income) from transactions with extended loans and other invested funds shall include income from the sale of extended loans and other loans, the claims under which have been acquired, and other invested funds, including other claims acquired.
- Expenses (not including interest expenses) from transactions with extended loans and other invested funds shall include expenses resulting from the sale of extended loans and other loans, the claims under which have been acquired, and other invested funds, including other claims acquired.
- Income from transactions with loans received and other funds raised shall include income from the early repayment or repurchase of loans, deposits, and other funds raised at the value below the book value, *inter alia*, when early repayment of the corresponding financial obligation entails a recalculation of the outstanding interest expenses payable at a reduced interest rate.
- Expenses from transactions with loans received and other funds raised shall include expenses resulting from the early repayment or repurchase of loans, deposits, and other funds raised at a value above the book value, *inter alia*, when early repayment of the corresponding financial obligation entails additional payments from the borrowing credit institution.
- Income and expenses associated with the support of credit institution operations shall include, *inter alia*, income and expenses that have occurred as a result of a breach of conditions associated with the business conducted by the credit institution (e.g., failure to comply with the requirements of Russian laws, contract and labor disciplines, customary business practices, etc.) and expenses arising as a result of emergency situations in economic activity (natural disasters, fires, accidents, nationalization of property, etc.), including forfeits (fines, penalties) on other (economic) transactions, income from donated property, receipts and payments in compensation of inflicted losses, income and expenses from the capitalization of a surplus and the writing off of shortages, other income and expenses qualified as other expenses, including those of a one-time and accidental nature.

Personal accounts on line 706 "Financial results of the current year" shall be opened based on the transaction symbols of the financial markets. Changes in the items of other comprehensive income shall be displayed in additional paid-in capital accounts.

The procedure for the recognition/termination of recognition of investments in securities under transactions settled on a repayable basis (repurchase transactions) has been adjusted to meet the amendments to Appendix 10 of Bank of Russia Regulation No. 385-P that took effect on January 1, 2016.

In accordance with Regulation of Bank of Russia Regulation No. 365-P, a new section has been included in the Accounting Policy. This section sets forth that the remuneration paid to employees shall be accounted in compliance with said Regulation. The recognition rules in the accounting of liabilities related to the payment of short-term and long-term remuneration to employees are set forth in the internal regulation of the Bank No. 465-P Internal Standards for the Formation and Accounting of Liabilities (Claims) Related to the Payment of Remunerations to Sberbank Employees (hereinafter referred to as the "Standard").

The Standard defines the following basic requirements:

- Remuneration shall include all kinds of compensations paid to employees for the performance of their labor functions and for the termination of employment agreements, regardless of the form of payment (cash, noncash), including wages with compensation and incentives, payments to employees or in favor of employees to third persons, including employee family members, which are made in connection with the employee's performance of their labor functions and are not included in their wages.
- Remuneration can be short-term, long-term upon the termination of labor activities, other long-term remunerations, and severance pays.
- The recognition of liabilities to pay short-term remuneration shall be accompanied by a simultaneous recognition of liabilities to pay insurance fees to state nonbudgetary funds; upon the recognition of liabilities to pay long-term remunerations, the liabilities to pay insurance fees that arise (will arise) upon the actual fulfillment of obligations in accordance with Russian laws shall be included in the scope of liabilities.
- The accounting of liabilities/claims to pay short-term remunerations in cash and non-cash forms shall be done by each employee; the accounting of liabilities/claims to pay long-term remunerations shall be done on accounts 60349/60350 according to the type of payments. The liabilities to pay remunerations not limited by fixed payments shall be accounted on the basis of the actuarial calculation at their discounted value.

The section on the accounting of intrasystem transactions for the accounting of securities has been excluded from the Accounting Policy due to the absence of such transactions.

The section on the Accounting of Transactions with Assets has been amended as follows in accordance with the enactment of Bank of Russia Regulation No. 448-P dated December 22, 2014:¹⁷

- As regards fixed asset assessments:
 - ✓ The list of cases that allow for the alternation of the initial value of fixed assets has been changed for the following: in the event of upgrading, reconstruction, capital repair, revaluation, depreciation, partial liquidation of fixed assets.
 - ✓ It has been established that the model of accounting according to reevaluated cost shall apply to the category "buildings, not including portable ones". Furthermore, the revaluation of the said group of homogeneous facilities at their fair value shall be done on a regular basis (not more often than on an annual basis, as of the end of the reporting year), provided that the fair value as of the end of the year differs considerably from the value of assets as of the date of the previous revaluation (by more than 10%). The model of accounting based on the initial value less accumulated depreciation and accumulated losses from impairment shall apply to other groups of homogeneous fixed assets.

¹⁷ Bank of Russia Regulation No. 448-P dated December 22, 2014, On the Accounting Procedure in Credit Institutions for Fixed Assets; Intangible Assets; Real Estate Temporarily not Used in Core Activities; Long-Term Assets Held for Sale, Inventories, Labor Tools, and Labor Items Received under an Accord and Satisfaction Agreement or Pledge Agreement with Indefinite Purpose" (hereinafter referred to as the "Bank of Russia Regulation No. 448-P").

- ✓ It has been established that the following method for the further reflection of an increase in value of fixed assets during revaluation shall apply starting January 1, 2016: the transition of a portion of increased value during revaluation, excluding the balance related to the item of fixed assets on the account for additional paid-in capital reduction by deferred income tax, by retained profit upon the accrual of depreciation.
- ✓ It has been established that fixed assets, regardless of their accounting model, shall be subject to an impairment test as of the end of each reporting year and upon the occurrence of events that significantly affect the assessment of their value, and if there are the signs of impairment, the amount of losses from impairment shall be determined.
- As regards the assessment of intangible assets:
 - ✓ It has been established that the model of accounting by initial value less accumulated depreciation and accumulated losses from impairment shall apply to all intangible assets.
 - ✓ It has been established that intangible assets and the acquiring of a positive business reputation shall be subject to an impairment test on an annual basis as of the end of the reporting period in accordance with the laws of the Russian Federation and other regulations of Bank of Russia.
- As regards the assessment of long-term assets held for sale, it has been established that these assets shall be subject to assessment on an annual basis as of the end of the reporting year for the lower of the following two values:
 - ✓ Initial value as recognized as of the date of the asset's transfer to long-term assets held for sale.
 - ✓ Fair value net of costs to be incurred for sale.
- As regards the assessment of labor tools received under the accord and satisfaction agreements and pledge agreements with an indefinite purpose, it has been established that these assets are subject to a revaluation on an annual basis as of the end of the reporting year for the lower of the following two values:
 - ✓ The initial value as of the date of the facility recognition as labor tools received under an accord and satisfaction agreement or pledge agreement with an indefinite purpose.
 - ✓ Fair value net of costs to be incurred for sale.
- As regards the assessment of labor items received under the accord and satisfaction agreement or pledge agreement with an indefinite purpose, it has been established that these assets shall be subject to assessment on an annual basis as of the end of the reporting year for the least of the following two values:
 - ✓ Initial value as of the date of the facility's recognition as labor items received under an accord and satisfaction agreement or pledge agreement with an indefinite purpose.
 - ✓ Estimated price at which the labor items received under an accord and satisfaction agreement or pledge agreement with an indefinite purpose can be sold, excluding the costs required for their sale (hereinafter referred to as the "net value of possible sale"), at the time of their assessment.

The Accounting Policy has been supplemented with the list of facilities recognized from January 1, 2016, as fixed assets, regardless of their value.

- New categories have been introduced for the purpose of classifying assets: long-term assets held for sale, labor tools, and labor items received under accord and satisfaction agreements with an indefinite purpose, the category title "inventories" has been changed for "reserves".
- The procedure for the formation of the initial value of assets has changed starting January 1, 2016: the value of capital investments; fixed assets; intangible assets; real estate temporarily not used in the core activity; materials intended for the erection, creation, and restoration of fixed assets and real estate temporarily not used in core activities that is accounted on book account 61013; long-term assets held for sale; labor tools

received under an accord and satisfaction agreement or pledge agreement with an indefinite purpose; labor items received under an accord and satisfaction agreement or pledge agreement with an indefinite purpose; assets acquired for charitable purposes and admitted for accounting on book account 61008 "Materials" (regardless of their value) shall all include a value added tax.

- The following criteria have been established for the recognition of facilities as fixed assets:
 - ✓ Regardless of their value per unit, facilities shall be qualified as fixed assets if they satisfy the criteria set forth in Clause 2.1 of Bank of Russia Regulation No. 448-P and are
 1. *commissioned in service after January 1, 2016, the list of which is given in the Appendix to the Accounting Policy; or*
 2. *commissioned in service before January 1, 2016, and accounted as of January 1, 2016, on book account 61009 "Inventory and accessories".*
 - ✓ The other facilities that satisfy the criteria set forth in clause 2.1 of Bank of Russia Regulation No. 448-P shall be recognized as fixed assets in case if their value exceeds RUB 30,000 per item. Such facilities with the value of RUB 30,000 and less are admitted for accounting as part of reserves.
- The following criteria have been established for the recognition of the facility components of tangible form as an independent inventory item: the cost of the component makes up over 10% of the total cost of the given fixed asset; the useful lives of the component and the fixed asset belong to different depreciation groups.
- It has been established that expenses for extraordinary repairs are to be recognized as a nontangible part (component) of a fixed asset and shall increase the cost of the fixed asset (shall not be recognized as an independent inventory item), regardless of the amount of the expenses.
- It has been established that real estate items temporarily not being used in core activities, which are accounted for at their fair value, shall—when a decision is made to sell them—continue to be accounted for on the appropriate account for real estate temporarily not being used in core activities until the moment of their sale.
- It has been established that nonexclusive rights to the results of intellectual activity and brand identities that satisfy the recognition criteria established for intangible assets by Bank of Russia Regulation No. 448-P shall be accounted for in intangible assets. Costs of acquisition of nonexclusive rights to the results of intellectual activity and brand identities, which do not satisfy the recognition criteria established for intangible assets by Bank of Russia Regulation No. 448-P:
 - ✓ performed as a fixed one-time payment shall be reflected in the accounting records as future expenses if the payment (part of the payment) is related to future periods and shall be written off as expenses during the term of the contract;
 - ✓ performed as regular payments accrued and paid in according to the procedure and within the periods specified in the contract shall be allocated to the Bank's expenses on a nonrecurrent basis.
- A limited list of fixed assets which are depreciated on a straight-line basis according to depreciation norms calculated proceeding from the useful life established in a separate Bank Ordinance has been established.
- A new procedure for determining the maximum amount of depreciation, wherein the maximum amount of depreciation charged shall be equal to the value subject to depreciation defined as the initial or revaluated cost of the fixed asset net of the estimated salvage value, has been established, as well as the procedure for determining the estimated salvage value.

The following procedure for determining useful life has been established for intangible assets entered into the books after January 1, 2016, proceeding from:

 - ✓ The effective period of the rights to the result of intellectual activity or brand identity and the period of control over the intangible asset.

- ✓ The expected useful life of the intangible asset during which economic benefits are expected to be received.

In regard to an intangible asset with an indeterminate useful life, annual consideration of whether there are factors indicating that it is not possible to reliably determine the useful life of this asset is called for. If such factors no longer exist, the useful life of such intangible asset and its depreciation method shall be determined. Such useful life of the intangible asset and its depreciation method shall apply starting January 1 of the year following the year when the decision on the establishment of the useful life of the intangible asset and its depreciation method was made.

- As regards the procedure for writing off the value of inventories, the possibility of entering inventories transferred to service in accounts for inventories accounted for until disposed has been excluded.
- Criteria for the recognition of assets as long-term assets held for sale have been established.

5. Accompanying Information to the Balance Sheet

5.1. Cash and Cash Equivalents

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Cash	732,790	1,240,712
Cash on accounts with Bank of Russia	468,322	227,154
Funds on correspondent accounts with credit institutions of the Russian Federation	7,356	35,826
Funds on correspondent accounts with foreign banks	348,629	320,661
Total cash and cash equivalents	1,557,097	1,824,353
Less funds in credit institutions with risk of loss	–502	–1,631
Total cash and cash equivalents net of funds in credit institutions with risk of loss	1,556,595	1,822,722

Information on changing the provision for possible losses from funds on correspondent accounts in credit institutions.

<i>RUB million</i>	<i>2015</i>	<i>2014</i>
The provision for possible losses from funds on correspondent accounts in credit institutions as of the start of the period	–574	–401
Changes in the provision for possible losses from funds on correspondent accounts in credit institutions	568	–173
The provision for possible losses from funds on correspondent accounts in credit institutions as of the end of the period	–6	–574

5.2. Financial Assets Carried at Fair Value through Profit or Loss

The tables below present the structure of financial assets estimated at fair value through profit or loss broken down by types of financial assets.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Total debt and equity securities, including	55,430	165,835
Bonds and Eurobonds issued by banks	37,251	62,388
<i>Russian credit institutions</i>	37,251	62,388
Corporate bonds	18,004	41,490
<i>Russian entities</i>	17,736	41,478
<i>Foreign companies</i>	268	12
Eurobonds issued by foreign governments	153	124
Bonds of subjects of the Russian Federation	22	458
Shares	—	56,559
<i>Oil and gas industry</i>	—	55,518
<i>Metallurgy</i>	—	991
<i>Financial services</i>	—	50
Russian Government Bonds	—	4,816
<i>Eurobonds of the Russian Federation</i>	—	4,355
<i>Federal Loan Bonds (OFZ)</i>	—	461

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Total derivative financial instruments,¹⁸ including	350,548	659,853
Swaps	268,894	297,448
<i>Foreign currency and interest rate (currency and interest)</i>	225,053	191,856
<i>Interest rate</i>	27,366	25,895
<i>Foreign currency</i>	7,269	65,073
<i>Securities</i>	6,758	13,266
<i>Precious metals</i>	2,448	1,358
Options	70,353	269,717
<i>Foreign currency</i>	32,508	220,158
<i>Precious metals</i>	11,305	3,941
<i>Securities</i>	74	5
<i>Derivative financial instruments</i>	73	293
<i>Other</i>	26,393	45,320
Forward contracts	11,301	92,688
<i>Foreign currency</i>	10,405	92,368
<i>Precious metals</i>	239	62
<i>Other</i>	657	258
Total investments in financial assets carried at their fair value through profit or loss	405,978	825,688

<i>RUB million</i>	<i>Jan 1, '16</i>		
	<i>Investments</i>	<i>Redemption period</i>	<i>Coupon rate (%)</i>
Bonds and Eurobonds issued by banks	37,251		
<i>Russian credit institutions</i>	37,251	January 19, 2016– November 13, 2029	4.95–14.75
Corporate bonds	458		
<i>Russian entities</i>	17,736		
<i>Telecommunications</i>	4,806	February 13, 2018– October 10, 2025	9.00–11.90
<i>Trade</i>	3,507	February 21, 2017– May 10, 2017	7.75–11.20
<i>Transport, aviation, and space industry</i>	2,758	April 3, 2017	5.74
<i>Banking</i>	2,459	July 15, 2016–March 18, 2016	4.22–11.80
<i>Services</i>	2,183	February 13, 2018–May 13, 2018	7.75–12.00
<i>Metallurgy</i>	1,418	October 25, 2017	6.70
<i>Energy</i>	553	November 17, 2020–September 14, 2027	8.00–11.50
<i>Chemical industry</i>	50	November 20, 2018	11.60
<i>Oil and gas industry</i>	2	February 18, 2016	7.50
<i>Foreign companies</i>	268	November 24, 2021–November 6, 2025	9.75–11.90
Eurobonds issued by foreign governments	153	September 26, 2016	7.00
Total investments in debt liabilities carried at their fair value through profit or loss	55,430		
Including those transferred without derecognition under sale and repurchase agreements	423	February 2, 2017– February 26, 2024	5.25–13.50

¹⁸According to the reporting form 0409155 "Information on contingent liabilities of a credit nature and derivative financial instruments."

	<i>Jan 1, '15</i>		
<i>RUB million</i>	<i>Investments</i>	<i>Redemption period</i>	<i>Coupon rate</i>
Bonds and Eurobonds issued by banks	62,388		
<i>Russian credit institutions</i>	62,388	March 4, 2015–August 30, 2029	3.35–13.50
Corporate bonds	41,490		
<i>Russian entities</i>	41,478		
<i>Telecommunications</i>	10,139	October 13, 2015–May 7, 2024	5.00–12.00
<i>Oil and gas industry</i>	7,737	November 22, 2016–September 19, 2022	3.15–9.25
<i>Banking</i>	7,481	July 15, 2016–February 17, 2032	4.22–12.00
<i>Services</i>	7,083	October 1, 2015–May 13, 2031	5.13–10.75
<i>Transport, aviation, and space industry</i>	4,470	November 18, 2015–March 25, 2031	5.74–7.80
<i>Metallurgy</i>	2,535	June 18, 2015–July 20, 2023	4.38–8.95
<i>Trade</i>	1,315	February 3, 2016–December 13, 2022	4.42–7.00
<i>Energy</i>	455	March 13, 2019–January 7, 2028	7.75–8.75
<i>Chemical industry</i>	205	April 30, 2018	3.72
<i>Machinery</i>	58	September 26, 2018	7.63
<i>Foreign companies</i>	12	August 11, 2023	10.25
Russian Government Bonds	4,816		
<i>Eurobonds of the Russian Federation</i>	4,355	April 4, 2022–April 4, 2042	4.50–7.50
<i>Federal Loan Bonds (OFZ)</i>	461	April 19, 2017	7.40
Bonds of subjects of the Russian Federation	458	June 1, 2016–September 24, 2019	7.00–10.75
Eurobonds issued by foreign governments	124	September 26, 2016	7.00
Total investments in debt liabilities carried at their fair value through profit or loss	109,276		
Including those transferred without derecognition under sale and repurchase agreements	149	March 7, 2022–April 4, 2022	4.50–6.51

As of January 1, 2016, the Bank had no shares transferred without derecognition under sale and repurchase agreements (as of January 1, 2015, the value of such shares was RUB 1,066 million).

Below are the methods and assumptions used in determining the fair value of financial instruments.

Derivative Financial Instruments

Derivative financial instruments valued using the valuation techniques based on observable market data of the information systems that are widely known in the market include interest rate swaps, currency swaps, forex forward, and option contracts. To assess the value of forwards and swaps, methods for assessing the present value of future flows are mainly used. Options are mostly assessed based on the Black-Scholes model. These models include various parameters, such as forex spot rates and forward rates, yield curves, and volatility skews.

Securities at Fair Value through Profit or Loss

Securities carried at fair value through profit or loss using valuation techniques or pricing models, include unquoted equity and debt securities. Those securities are valued for models containing only observable market data and for models containing both observable and unobservable market data. Unobservable market parameters include assumptions about the future financial position of the issuer, its level of risk, and economic evaluations of the industry and geographic jurisdiction in which it operates.

5.3. Net Loans Receivable

Net loan debt includes loans extended to credit institutions, other legal entities and individuals, and other debt that is classed as an equivalent of loan debt. The Bank mainly grants loans to residents of the Russian Federation and to nonresidents operating within the Russian Federation.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>share (%)</i>	<i>Jan 1, '15</i>	<i>share (%)</i>
Corporate loans receivable and their equivalent	12,248,763	68.5	11,648,210	69.8
Retail loans receivable and their equivalent	4,134,771	23.1	4,069,937	24.4
Interbank loans and other loans receivable from banks	1,497,089	8.4	972,436	5.8
Loan debts prior to deduction of provisions for possible losses	17,880,623	100	16,690,583	100
Provisions for possible losses	-1,010,820		-801,204	
Net loans receivable	16,869,803		15,889,379	

Analysis of loans (without taking into account loans to banks) broken down by types of economic activity is presented in the table below.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>share (%)</i>	<i>Jan 1, '15</i>	<i>share (%)</i>
Individuals	4,134,771	25.2	4,069,937	25.9
Services	3,530,419	21.5	3,392,872	21.6
Trade	1,697,881	10.4	1,632,122	10.4
Energy	985,324	6.0	803,968	5.1
State and municipal agencies of the Russian Federation	858,241	5.2	797,689	5.1
Machinery	845,812	5.2	803,478	5.1
Metallurgy	789,185	4.8	671,533	4.3
Food industry and agriculture	765,360	4.7	786,592	5.0
Chemical industry	483,473	3.0	453,652	2.9
Construction	478,059	2.9	496,602	3.2
Oil and gas industry	467,775	2.9	307,121	1.9
Telecommunications	420,305	2.6	470,860	3.0
Transport, aviation, and space industry	398,661	2.4	393,398	2.5
Woodworking industry	48,825	0.3	53,861	0.3
Others	479,443	2.9	584,462	3.7
Total loans to individuals and legal entities before provisions for possible losses	16,383,534	100.0	15,718,147	100.0

The table below provides the analysis of corporate loans (excluding loans to banks) by lending purposes.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>share (%)</i>	<i>Jan 1, '15</i>	<i>share (%)</i>
Financing of operating activities	8,068,031	65.9	7,107,485	61.0
Investment lending and project financing	4,117,015	33.6	4,402,373	37.8
Lending as part of reverse REPO transactions	56,485	0.4	129,338	1.1
Claims for debts incurred as a result of the bank's execution of cession agreements with deferred payment	7,232	0.1	9,014	0.1
Total loans to legal entities before provisions for possible losses	12,248,763	100	11,648,210	100

Analysis of loans to individuals broken down by the purposes of the loans is presented in the table below.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>share (%)</i>	<i>Jan 1, '15</i>	<i>share (%)</i>
Mortgage loans	2,174,833	52.6	1,918,240	47.1
Consumer loans	1,929,773	46.7	2,088,949	51.3
Car loans	30,165	0.7	62,748	1.6
Total retail loans before provisions for possible losses	4,134,771	100.0	4,069,937	100.0

Flow of provisions for possible losses on loans receivable and their equivalent, including provisions for possible losses on claims for interest income.

<i>RUB million</i>	<i>2015</i>	<i>2014</i>
Creation (replenishment) of provisions for possible losses from loans, loan debt, and debt equivalents in the reporting period, total	671,521	549,220
including as a result of:		
loans issued	187,252	167,807
changes in loan quality	427,865	317,162
changes in the official currency exchange rate against the ruble as set by Bank of Russia	21,182	7,035
other reasons	35,222	57,216
Recovery (reduction) of provisions for possible losses from loans, loan debt and its equivalent in the reporting period, total	456,812	328,335
including as a result of:		
write-off of bad loans	44,560	58,846
repayment of loans	241,743	205,608
changes in loan quality	143,854	53,447
changes in the official currency exchange rate against the ruble, as set by Bank of Russia	66	—
other reasons	26,589	10,434

5.4. Financial Investments in Securities Available for Sale

Structure of net investments in securities and other financial assets available for sale

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Russian Government Bonds	983,770	796,023
<i>Federal Loan Bonds (OFZ)</i>	691,905	629,399
<i>Eurobonds of the Russian Federation</i>	291,865	166,624
Investments in subsidiaries and dependent entities	551,602	386,382
<i>Provision</i>	−14,870	−543
Corporate bonds	441,990	442,729
<i>Russian entities</i>	435,556	421,251
<i>Provision</i>	—	−28
<i>Foreign companies</i>	6,434	21,506
Bonds and Eurobonds issued by banks	286,586	43,638
<i>Foreign credit institutions</i>	188,463	10,290
<i>Russian credit institutions</i>	98,123	33,348
Bonds of subjects of the Russian Federation	45,092	45,878
Shares	21,755	30,989
<i>Services</i>	21,754	17,452
<i>Provision</i>	−26	−1,288
<i>Banking</i>	20	16
<i>Metallurgy</i>	7	5
<i>Energy</i>	0	1,728
<i>Oil and gas industry</i>	—	7,082
<i>Others</i>	—	6,238
Eurobonds issued by foreign governments	403	349
Operations of other interest	29	86
<i>Provision</i>	—	−41
Total securities available for sale	2,316,280	1,745,490

<i>RUB million</i>	<i>Jan 1, '16</i>		
	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate (%)</i>
Russian Government Bonds	983,770		
<i>Federal Loan Bonds (OFZ)</i>	691,905	January 20, 2016–February 6, 2036	2.01–14.48
<i>Eurobonds of the Russian Federation</i>	291,865	April 4, 2017–September 16, 2043	3.25–12.75
Corporate bonds	441,990		
<i>Russian entities</i>	435,556		
<i>Oil and gas industry</i>	130,326	February 2, 2016–May 30, 2023	3.15–16.00
<i>Banking</i>	70,191	July 15, 2016–September 23, 2032	3.04–11.90
<i>Services</i>	60,021	March 15, 2016–March 1, 2033	3.42–12.50
<i>Transport, aviation, and space industry</i>	46,286	June 20, 2016–November 7, 2028	3.37–11.60
<i>Telecommunications</i>	43,309	July 19, 2016–October 10, 2025	5.00–11.40
<i>Metallurgy</i>	33,963	February 25, 2016–October 16, 2025	4.38–11.10
<i>Energy</i>	25,855	April 19, 2019–October 6, 2027	7.95–8.75
<i>Trade</i>	16,261	February 3, 2016–December 13, 2022	4.42–11.20

<i>Jan 1, '16</i>			
<i>RUB million</i>	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate (%)</i>
<i>Chemical industry</i>	8,214	February 13, 2018–May 18, 2021	3.72–13.60
<i>Machinery</i>	1,130	September 28, 2023	8.10
<i>Foreign companies</i>	6,434		
<i>Banking</i>	6,434	February 12, 2016–November 6, 2025	7.85–15.50
Bonds and Eurobonds issued by banks	286,586		
<i>Foreign credit institutions</i>	188,463	February 16, 2016–April 4, 2016	0.63–1.02
<i>Russian credit institutions</i>	98,123	January 31, 2016–November 13, 2029	3.35–14.75
Bonds of subjects of the Russian Federation	45,092	May 4, 2016–June 11, 2022	5.06–11.50
Eurobonds issued by foreign governments	403	January 7, 2016–December 8, 2016	7.02–7.56
Total debt securities available for sale	1,757,841		
Including those transferred without derecognition under sale and repurchase agreements	34,381	January 20, 2016–September 16, 2043	3.04–14.42

<i>Jan 1, '15</i>			
<i>RUB million</i>	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate (%)</i>
Russian Government Bonds	796,023		
<i>Federal Loan Bonds (OFZ)</i>	629,399	June 3, 2015–February 6, 2036	2.01–10.00
<i>Eurobonds of the Russian Federation</i>	166,624	April 29, 2015–September 16, 2043	3.25–12.75
Corporate bonds	442,729		
<i>Russian entities</i>	421,223		
<i>Oil and gas industry</i>	111,107	February 2, 2015–September 20, 2044	3.15–11.25
<i>Telecommunications</i>	61,952	October 13, 2015–May 07, 2024	5.00–9.45
<i>Banking</i>	58,078	July 15, 2016–September 23, 2032	3.04–8.55
<i>Transport, aviation, and space industry</i>	54,951	March 3, 2015–November 7, 2028	3.37–10.00
<i>Services</i>	53,230	July 24, 2013–March 1, 2033	3.42–11.50
<i>Provision</i>	-28		
<i>Metallurgy</i>	34,864	June 18, 2015–November 25, 2022	4.38–8.95
<i>Energy</i>	25,522	October 21, 2015–October 6, 2027	7.88–8.75
<i>Trade</i>	14,388	October 12, 2015–December 13, 2022	4.42–8.85
<i>Chemical industry</i>	6,040	October 13, 2015–May 18, 2021	3.72–10.25
<i>Machinery</i>	1,119	September 28, 2023	8.10
<i>Foreign companies</i>	21,506		
<i>Services</i>	14,876	September 23, 2015	8.00
<i>Banking</i>	6,630	February 12, 2016–May 24, 2021	7.65–11.09
Bonds of subjects of the Russian Federation	45,878	June 18, 2015–June 11, 2022	5.06–12.00
Bonds and Eurobonds issued by banks	43,638		
<i>Russian credit institutions</i>	33,348	February 1, 2015–November 13, 2029	4.25–13.25

<i>RUB million</i>	<i>Jan 1, '15</i>		
	<i>Amount of investments</i>	<i>Redemption period</i>	<i>Coupon rate (%)</i>
<i>Foreign credit institutions</i>	10,290	November 02, 2015	8.50
Eurobonds issued by foreign governments	349	January 1, 2015–April 2, 2015	8.20–8.92
Total debt securities available for sale	1,328,617		
Including those transferred without derecognition under sale and repurchase agreements	736,949	February 1, 2015–September 16, 2043	3.04–12.75

As of January 1, 2016, the Bank had no shares transferred without derecognition under sale and repurchase agreements (as of January 1, 2015, the value of such securities was RUB 105 million).

Information on the change in the provision for possible losses on securities available for sale

<i>RUB million</i>	<i>2015</i>	<i>2014</i>
Provision for possible losses on securities available for sale as of the start of the period	–1,560	–1,638
Changes in the provisions for possible losses from securities available for sale	1,534	78
Provision for possible losses on securities available for sale as of the end of the period	–26	–1,560

<i>RUB million</i>	<i>2015</i>	<i>2014</i>
Provision for possible losses on investments in subsidiaries and affiliates and operations of other interest as of the start of the period	–584	–43
Change in the provision for possible losses on investments in subsidiaries and dependent entities and operations of other interest	–14,286	–541
Provision for possible losses on investments in subsidiaries and affiliates and operations of other interest as of the end of the period	–14,870	–584

5.5. Financial Investments in Subsidiaries and Dependent entities

<i>RUB million</i>	<i>Jan 1, '16</i>		<i>Jan 1, '15</i>	
	<i>Amount of investments</i>	<i>Share of the Bank in capital (%)</i>	<i>Amount of investments</i>	<i>Share of the Bank in capital (%)</i>
Subsidiaries				
Denizbank Anonim Sirketi	131,472	99.9	119,544	99.9
Sberbank Europe AG	77,893	100.0	62,440	100.0
SB International S.a.r.l.	67,013	100.0	16,739	100.0
Sberbank Capital LLC	57,459	100.0	57,459	100.0
Bylinnyye Bogatyri LLC	48,538	100.0	2,038	100.0
<i>Provision</i>	–485		—	
Promising Investments LLC	38,000	100.0	33,000	100.0
<i>Provision</i>	–7,980		—	
Sberbank	32,429	100.0	17,793	100.0
<i>Provision</i>	–3,775		—	
Auktision LLC	18,259	100.0	15,829	100.0
SB of Sberbank JSC	13,917	100.0	13,917	100.0
Cetelem Bank LLC	11,671	79.2	9,171	74.0
BPS-Sberbank OJSC	10,475	98.4	10,475	98.4

	Jan 1, '16		Jan 1, '15	
RUB million	Amount of investments	Share of the Bank in capital (%)	Amount of investments	Share of the Bank in capital (%)
SB Luxembourg S.a.r.l.	8,509	100.0	8,509	100.0
Provision	–478		–237	
Sberbank Investments LLC	7,057	100.0	7,057	100.0
Universal Electronic Card OJSC	5,192	93.6	2,488	72.3
Provision	–52		–25	
Digital Technologies LLC	2,301	100.0	—	—
Provision	–460		—	
PS Yandex.Money LLC	1,964	75.0	1,964	75.0
Sberbank Technologies CJSC	1,100	100.0	1,100	100.0
Sberbank Life Insurance IC LLC	1,031	100.0	1,031	100.0
Sberbank Private Pension Fund JSC	920	100.0	690	75.0
Delovaya Sreda JSC	795	100.0	—	—
Sberbank Insurance IC LLC	770	100.0	170	100.0
Sberbank Leasing JSC	23	100.0	23	100.0
Other subsidiaries	3,534	50.0–100.0	3,907	50.0–100.0
Provision	–137		–133	
Dependent entities				
Nitol Solar Limited	—	—	742	25.0
Provision	—		–148	
Other dependent entities	132	49.9–50.0	132	49.9–50.0
Other equity participation				
TRANSPORT AMD-2 Limited	8,140	20.0	—	—
Rublyovo-Arkhangelskoye JSC	3,006	4.8	—	—
Provision	–1,503		—	
Other dependent entities	2	20.0	164	50.0
Total investments in subsidiaries, dependent entities and other participation	536,732		385,839	

As of January 1, 2015, the investments in TRANSPORT AMD-2 Limited and Rublyovo-Arkhangelskoye JSC were entered in the books as financial investments in securities available for sale.

5.6. Net Investments in Securities Held to Maturity

Structure of net investments in securities held to maturity

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Russian Government Bonds	188,329	187,906
<i>Federal Loan Bonds (OFZ)</i>	156,880	162,833
<i>Eurobonds of the Russian Federation</i>	31,449	25,073
Corporate bonds	224,891	138,685
<i>Russian entities</i>	201,382	115,051
<i>Provision</i>	–1,985	–442

RUB million	Jan 1, '16	Jan 1, '15
Foreign companies	30,686	25,655
Provision	-5,192	-1,288
Bonds of subjects of the Russian Federation	23,252	39,883
Total securities held to maturity	436,472	366,474

Jan 1, '16				
RUB million	Investments	Maturity period	Coupon rate	Coupon income
Russian Government Bonds	188,329			11,986
Federal Loan Bonds (OFZ)	156,880	August 3, 2016–January 9, 2019	5.00–7.50	10,763
Eurobonds of the Russian Federation	31,449	July 24, 2018–June 24, 2028	11.00–12.75	1,223
Corporate bonds	224,891			10,584
Russian entities	199,397			8,282
Services	54,012	June 2, 2016–December 28, 2046	4.56–14.50	2,412
Provision	-1,071			
Telecommunications	36,606	November 7, 2017–May 30, 2023	5.00–8.70	532
Machinery	27,901	September 26, 2018–July 9, 2020	7.63–16.75	2,224
Provision	-11			0
Metallurgy	27,802	March 19, 2018–October 14, 2022	4.45–7.75	657
Transport, aviation, and space industry	19,473	December 20, 2016–December 9, 2025	3.37–13.10	333
Provision	-903			0
Oil and gas industry	18,359	February 2, 2016–March 6, 2022	4.20–8.90	906
Energy	15,230	June 23, 2016–June 22, 2021	7.50–8.70	1,169
Chemical industry	1,496	April 30, 2018	3.72	4
Trade	503	June 1, 2021	8.85	44
Foreign companies	25,494			2,302
Services	10,237	November 28, 2017–February 14, 2018	8.75–10.50	815
Provision	-5,119			
Metallurgy	7,358	May 7, 2018	6.38	388
Provision	-74			
Others	13,092	December 13, 2018–August 11, 2023	6.25–10.25	1,098
Bonds of subjects of the Russian Federation	23,252	September 22, 2016–June 23, 2021	7.00–13.06	2,198
Total debt securities held to maturity	436,472			24,768
Including those transferred without derecognition under sale and repurchase agreements	34,275	April 19, 2017–December 9, 2025	4.45–13.10	2,211

Jan 1, '15

<i>RUB million</i>	<i>Investments</i>	<i>Maturity period</i>	<i>Coupon rate</i>	<i>Coupon income</i>
Russian Government Bonds	187,906			11,410
<i>Federal Loan Bonds (OFZ)</i>	162,833	August 3, 2016–January 9, 2019	5.50–8.94	10,851
<i>Eurobonds of the Russian Federation</i>	25,073	July 24, 2018–June 24, 2028	11.00–12.75	559
Corporate bonds	138,685			9,829
<i>Russian entities</i>	114,609			8,296
<i>Services</i>	29,215	June 2, 2016–December 28, 2046	5.70–11.50	1,981
<i>Machinery</i>	27,352	September 26, 2018–July 9, 2020	7.63–9.00	2,098
<i>Energy</i>	23,552	October 28, 2015–June 22, 2021	7.50–8.70	1,786
<i>Provision</i>	-47			
<i>Metallurgy</i>	14,374	March 19, 2018–April 5, 2021	4.45–8.50	656
<i>Provision</i>	-356			
<i>Oil and gas industry</i>	10,332	February 2, 2016–January 26, 2021	8.40–8.90	862
<i>Telecommunications</i>	7,585	November 7, 2017–November 3, 2020	8.15–8.70	628
<i>Transport, aviation, and space industry</i>	2,138	December 20, 2016–January 13, 2017	11.00–12.50	241
<i>Provision</i>	-9			
<i>Trade</i>	503	June 1, 2021	8.85	44
<i>Provision</i>	-30			
<i>Foreign companies</i>	24,076			1,533
<i>Services</i>	7,895	November 28, 2017–February 14, 2018	8.75–10.50	275
<i>Provision</i>	-1,579			
<i>Metallurgy</i>	5,679	May 7, 2018	6.38	245
<i>Others</i>	12,081	December 13, 2018–August 11, 2023	6.25–10.25	1,013
Bonds of subjects of the Russian Federation	39,883	June 24, 2015–April 8, 2020	7.00–13.06	2,938
Total debt securities held to maturity	366,474			24,177
Including those transferred without derecognition under sale and repurchase agreements	326,301	June 24, 2015–June 24, 2028	4.45–12.75	21,306

Information on change in the provision for possible losses on securities held to maturity

<i>RUB million</i>	<i>2015</i>	<i>2014</i>
Provision for possible losses on securities held to maturity as of the start of the period	-2,021	-2,260
Changes in the provisions for possible losses from securities held to maturity	-5,156	238
Provision for possible losses on securities held to maturity as of the end of the period	-7,177	-2 260

Throughout 2015, no securities were reclassified from the "available for sale" portfolio to the "held to maturity" portfolio.

On June 11, 2014, the Eurobonds of the Russian Federation have been reclassified from the portfolio of securities available for sale to portfolio of securities held to maturity in the amount of:

- Eurobonds of the Russian Federation 2018 (ISIN XS0089375249): 97,000 units
- Eurobonds of the Russian Federation 2028 (ISIN XS0088543193): 185,000 units

with the total value of RUB 15,916.6 million. As of January 1, 2015, the value of the securities was RUB 25,073.0 million. This reclassification was carried out in connection with the change of investment intentions as the Executive Board of the Bank had resolved to hold these bonds in the portfolio to their maturity.

5.7. Fixed Assets, Intangible Assets, and Immovable Property Temporarily Unused in Core Activities

<i>RUB million</i>	<i>Immovable property of bank purpose</i>	<i>Other buildings</i>	<i>Office and computer equipment</i>	<i>Cars and other facilities</i>	<i>Construction in progress</i>	<i>Inventories</i>	<i>Immovable property and land temporarily unused in core activities</i>	<i>Intangible assets</i>	<i>Total</i>
Initial or revalued cost as of January 1, 2014	342,067	354	220,415	15,937	32,870	23,028	3,285	10,736	648,692
Accumulated depreciation	–43,420	–32	–128,079	–7,611	0	0	0	–1,480	–180,622
Residual value as of January 1, 2014	298,647	322	92,336	8,326	32,870	23,028	3,285	9,256	468,070
Acquisitions	63,224	1,333	66,484	4,268	29,552	40,314	686	9,470	215,331
Transfers	17,891	2	7,208	525	–24,281	–705	–221	0	0
Disposals – under initial or revaluation value	–65,055	–229	–54,362	–3,198	–15,121	–31,109	–755	–918	–172,604
Disposals – accumulated depreciation	5,703	5	8,302	536	0	0	0	0	14,546
Depreciation deductions	–11,020	–8	–32,801	–1,443	0	0	0	–1,480	–46,590
Residual value as of January 1, 2015	309,390	1,425	87,461	8,053	21,827	30,917	2,995	16,545	478,613
Initial or revalued cost as of January 1, 2015	358,127	1,460	239,745	17,060	21,827	30,917	2,995	19,288	691,419
Accumulated depreciation	–48,737	–35	–152,284	–9,007	0	0	0	–2,743	–212,806
Residual value as of January 1, 2015	309,390	1,425	87,461	8,053	21,827	30,917	2,995	16,545	478,613
Acquisitions	1,479	0	47,482	967	9,803	21,203	295	9,102	90,331
Transfers	9,854	1	3,295	63	–13,566	–1,288	702	517	0
Disposals – under initial or revaluation value	–4,967	–51	–31,109	–1,288	–3,198	–21,667	–252	–1,288	–64,311
Disposals – accumulated depreciation	3,722	5	12,036	331	0	0	0	253	16,347
Depreciation deductions	–9,007	–43	–29,819	–1,443	0	0	0	–2,743	–43,420
Residual value as of January 1, 2016	309,971	1,337	89,073	6,533	14,428	29,359	3,740	22,914	477,355
Initial or revalued cost as of January 1, 2016	364,493	1,410	259,140	16,973	14,428	29,359	3,740	27,896	717,439
Accumulated depreciation	–54,522	–73	–170,067	–10,261	0	0	0	–4,419	–240,084

The Bank revalues its fixed assets pertaining to the category of buildings at the current (replacement) value on a regular basis so that the balance sheet value of such items does not substantially differ from their current (replacement) value. The fixed assets of the above category were revalued at the current (replacement) value as of January 1, 2012. The revaluation was made based on the opinions of independent appraisers having the appropriate professional qualification and experienced in evaluating assets of such category. To evaluate the current (replacement) value, the items were classified into special and nonspecial. Specialized items were evaluated using primarily the cost approach, while in evaluating nonspecial items the comparative approach was used. The appraisal was conducted by PricewaterhouseCoopers Russia B.V.¹⁹

For the purpose of reporting for 2015, the Bank audited the current (replacement) value of fixed assets and arrived at the conclusion that it differed insignificantly from the market value; therefore, no revaluation was made.

5.8. Other Assets

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Other financial assets		
Incomplete plastic card settlements	150,820	26,869
Loan interest receivables	123,210	90,450
Settlements with currency and stock exchanges	79,841	124,399
Settlements on compensation payout operations on deposits of commercial banks	73,212	17,129
Contributions to the authorized capital of subsidiaries (before registration of authorized capital increase)	18,059	27,095
Settlements on state duties and penalties	18,842	9,389
Accrued fee receivables	7,470	5,451
Amounts of the damage inflicted on the Bank	5,031	4,363
Settlements on conversion operations, derivatives, and forward transactions	4,652	26,322
Security payments	2,163	1,553
Settlements with commercial banks on banknote transactions	—	34,176
Others	1,188	5,792
Total other financial assets	484,488	372,988
Other nonfinancial assets		
Future expenses	21,202	17,981
Noncurrent assets held for sale and assets of the disposal group	16,135	15,116
Advances issued	15,557	12,141
Prepayment on other taxes	8,041	8,112
Payment receivables for commemorative coins, bought and sold	2,743	3,796
Precious metals	1,918	2,113
Others	1,323	3,627
Total other nonfinancial assets	66,919	62,886
Provision for impairment of other assets	-28,641	-16,733
Provision for impairment of loan interest receivables	-17,050	-11,958
Total other assets	505,716	407,184

¹⁹Appraiser: Oleg A. Malyshev, certificate of membership in SRO: issued by NP Self-Regulatory Interregional Association of Appraisers (SIAA) No. 691 dated August 27, 2007.

Below is the information on the change in the provision for possible losses on other assets.²⁰

<i>RUB million</i>	2015	2014
Provision for possible losses on other assets as of the start of the period	–16,733	–17,898
Net (formation)/recovery of the provision for possible losses on other assets	–16,516	–5,494
Written off from the provision	4,608	6,627
Provision for possible losses on other assets as of the end of the period	–28,641	–16,733

5.9. Due to Credit Institutions

<i>RUB million</i>	Jan 1, '16	Jan 1, '15
Loans and deposits received from banks	415,323	537,075
including Syndicated loans	—	118,559
Correspondent accounts	141,296	142,529
Direct repo contracts with banks	61,745	38,403
Obligations on repayment to creditor (bank) of the borrowed securities	—	75,831
Overnight deposits	—	1,018
Total funds of banks	618,364	794,856

The cost of securities pledged as collateral under direct repo as of January 1, 2016, amounted to RUB 63,094 million, as of January 1, 2015, RUB 42,390 million.

Information about the conditions and time frames for received syndicated loans is presented in the table below.

<i>Issue</i>	<i>Date of issue</i>	<i>Repayment date</i>	<i>Currency</i>	<i>Nominal value (in millions of currency units)</i>	<i>Contractual interest rate</i>	<i>Book value, RUB million</i>	
						<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Issue 4	February 15, 2012	December 23, 2015*	EUR	500	3m EURIBOR+1.50%	—	34,171
Issue 5	October 30, 2012	May 15, 2015**	USD	1,500	3m LIBOR+1.50%	—	84,388
Total syndicated loans						0	118,559

* Date of early repayment (scheduled repayment on February 2, 2017).

** Date of early repayment (scheduled repayment on October 30, 2015).

²⁰ Excluding provisions for interest income claims (the related information is provided with the provisions for loans in Section 5.3).

5.10. Due to Customers Other Than Credit Institutions

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Individuals and individual entrepreneurs	10,221,285	7,999,052
Current accounts/demand accounts	1,938,386	1,561,367
Term deposits	8,282,899	6,437,685
Other corporate customers	7,372,888	5,893,843
Current accounts/demand accounts	2,497,162	1,737,317
Term deposits	4,875,671	4,153,400
Obligations to return borrowed securities to a (nonbank) creditor	55	3,126
Funds in precious metals	128,250	133,829
Due to individuals	120,852	128,855
Due to legal entities	7,398	4,974
Total due to customers	17,722,423	14,026,724

Analysis of customer deposits broken down by types of economic activity is presented in the table below.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Share (%)</i>	<i>Jan 1, '15</i>	<i>Share (%)</i>
Individuals	10,143,745	57.2	7,932,046	56.6
Oil and gas industry	1,330,147	7.5	934,919	6.7
Services	1,606,423	9.1	994,562	7.1
Trade	930,541	5.3	522,210	3.7
Bonds in issue	945,633	5.4	856,382	6.1
State and municipal agencies of the Russian Federation	78,142	0.4	736,274	5.2
Transport, aviation, and space industry	291,803	1.6	174,918	1.2
Machinery	448,486	2.5	281,523	2.0
Metallurgy	388,587	2.2	201,161	1.4
Construction	276,591	1.6	266,559	1.9
Energy	299,283	1.7	164,114	1.2
Food industry and agriculture	147,286	0.8	111,665	0.8
Telecommunications	117,201	0.7	93,159	0.7
Chemical industry	213,977	1.2	105,529	0.8
Woodworking industry	22,795	0.1	34,100	0.2
Others	481,783	2.6	617,603	4.4
Total due to customers	17,722,423	100.0	14,026,724	100.0

The information on other borrowed funds reflected in the term deposits of corporate customers is presented in the following table.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Loan participation notes issued as part of MTN program	945,633	856,382
Subordinated loans	291,531	225,034
No subordinated loans	654,102	631,348
Notes issued under the ECP program	—	15,720
Total other borrowings	945,633	872,102

Description of loan participation notes issued under the MTN program is provided in the table below.

Issue	Subord.	Date of issue	Repayment date	Currency	Nominal value (in millions of currency units)	Contractual interest rate (%)	Book value, RUB million	
							Jan 1, '16	Jan 1, '15
Series 4i		July 7, 2010	July 7, 2015	USD	1,500	5.50	—	84,388
Series 5ii		September 24, 2010	March 24, 2017	USD	1,250	5.40	91,103	70,323
Series 7		June 16, 2011	June 16, 2021	USD	1,000	5.72	72,883	56,258
Series 8iii		February 7, 2012	February 7, 2017	USD	1,300	4.95	94,748	73,136
Series 9iv		February 7, 2012	February 7, 2022	USD	1,500	6.13	109,324	84,388
Series 10		March 14, 2012	September 14, 2015	CHF	410	3.10	—	23,360
Series 11		June 28, 2012	June 28, 2019	USD	1,000	5.18	72,883	56,258
Series 12	subord.	October 29, 2012	October 29, 2022	USD	2,000	5.13	145,765	112,518
Series 13		January 31, 2013	January 31, 2016	RUB	25,000	7.00	25,000	25,000
Series 14		February 28, 2013	February 28, 2017	CHF	250	2.07	18,382	14,244
Series 15		March 4, 2013	March 4, 2018	TRY	550	7.40	13,792	13,350
Series 16	subord.	May 23, 2013	May 23, 2023	USD	1,000	5.25	72,883	56,258
Series 17	subord.	February 26, 2014	February 26, 2024	USD	1,000	5.50	72,883	56,258
Series 18v		March 6, 2014	March 6, 2019	USD	500	4.15	36,441	28,129
Series 19v		March 7, 2014	March 7, 2019	EUR	500	3.08	39,849	34,171
Series 20		June 26, 2014	November 15, 2019	EUR	1000	3.35	79,697	68,343
Total							945,633	856,382

ⁱ Taking into account additional issue dated August 3, 2010 (USD 500 million).

ⁱⁱ Taking into account additional issue dated October 19, 2010 (USD 250 million).

ⁱⁱⁱ Taking into account additional issue dated August 17, 2012 (USD 300 million).

^{iv} Taking into account additional issue dated July 30, 2012 (USD 750 million).

^v As part of nonpublic offering.

5.11. Debt Securities in Issue

<i>RUB million</i>	<i>Jan 1, '16</i>		
	<i>Book value</i>	<i>Redemption period</i>	<i>Interest rate (%)</i>
Savings certificates	549,512	on demand – December 30, 2018	0.1–18.0
Bills	78,395	on demand – January 30, 2023	0.1–26.7
Loan participation notes issued as part of the MTN program	18,500	January 2, 2026	12.27
Certificates of deposit	1,287	on demand – November 18, 2016	3.52–9.58
Total debt securities in issue	647,694		

<i>RUB million</i>	<i>Jan 1, '15</i>		
	<i>Book value</i>	<i>Redemption period</i>	<i>Interest rate (%)</i>
Savings certificates	439,382	on demand – December 30, 2017	0.1–18.0
Promissory notes	72,216	on demand – May 13, 2020	0.1–29.7
Certificates of deposit	1,804	on demand – November 18, 2016	9.03–12.5
Total debt securities in issue	513,402		

As of January 1, 2016, and January 1, 2015, the Bank had no overdue or restructured certified debt.

Compliance with Special Terms

In its normal course of business, the Bank enters into agreements to raise cash and cash equivalents through interbank loans. These transactions may include terms for the early performance by the Bank of liabilities to repay the cash and cash equivalents in certain circumstances, such as the deterioration of the financial and operating performance of the Bank, changes in the ratings by international agencies, or other terms specified in the agreement. As of January 1, 2016, there was no violation of the terms of the Bank's significant transactions which could lead to the necessity of performing such obligations before contractual maturity.

5.12. Other Liabilities

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Other financial liabilities		
Interest payment liabilities	163,358	118,466
Settlements on operations with securities	28,677	17,400
Settlements on conversion operations, derivatives and forward transactions	16,042	8,655
Outstanding contributions to the Deposit Insurance Agency	10,906	8,411
Amounts received on correspondent accounts before clarification	5,466	5,065
Securities supply liabilities	2,080	848
Accounts payable	1,271	971
Accrued staff cost	306	2,714
Settlements with currency and stock exchanges	—	29,766
Others	15,246	8,075
Total other financial liabilities	243,353	200,371
Other nonfinancial liabilities		
Operating taxes payable	7,257	7,856
Settlements for expenses of a noncapital nature	2,890	4,902

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Provisions for future expenses	2,220	1,634
Settlements for expenses of a capital nature	67	1,130
Others	780	360
Total other nonfinancial obligations	13,214	15,882
Total other liabilities	256,567	216,253

5.13. Authorized Capital

The table below provides the structure of Sberbank's authorized capital as of January 1, 2016.

	<i>Declared, placed and paid-up shares</i>	
	<i>quantity (thousand pcs)</i>	<i>nominal value, RUB million</i>
Ordinary shares	21,586,948	64,761
Preferred shares	1,000,000	3,000
Total	22,586,948	67,761

The structure of the Bank's authorized capital has not changed since July 2007. During 2015, the Bank did not redeem any equity shares from shareholders. As of January 1, 2016, the Bank has no equity shares redeemed from its shareholders on its balance sheet.

All ordinary shares have a par value of 3 rubles per share and are attached with equal rights. Each ordinary share carries the right to one vote. All ordinary shares in issue are fully paid up.

Preferred shares have a par value of 3 rubles per share and carry no right of vote (unless federal law provides otherwise). All preferred shares have equal rights and are fully paid up. The procedure for the payment of dividends on shares is determined by effective legislation. A decision (announcement) on payment of dividends and the size of the dividends shall be made by the General Shareholders' Meeting upon the recommendation of the Bank's Supervisory Board. The minimum amount of dividends on preferred shares shall be at least 15% of their par value. If preferred dividends are not paid, the holders of preferred shares are entitled to vote similarly to the holders of ordinary shares up to the moment when the dividend is paid out.

6. Accompanying Information to the Statement of Financial Performance

6.1. Interest Income by Type of Assets

<i>RUB million</i>	2015	2014
Loans to legal entities	1,146,980	886,788
Loans to individuals	630,705	576,708
Securities available for sale	100,379	98,377
Loans to banks	44,810	31,546
Securities held to maturity	26,636	27,889
Proceeds from sales of insurance products to individuals	16,704	23,139
Securities assessed through profit or loss	3,386	2,988
Nostro accounts	362	71
Funds in Bank of Russia	125	218
Fines, penalties, prior period income, and others	28,941	14,161
Total interest income	1,999,028	1,661,885

6.2. Interest Costs by Types of Funds Raised

<i>RUB million</i>	2015	2014
Term deposits of individuals	468,860	279,605
Term deposits of legal entities	235,607	126,463
Deposits of Bank of Russia	187,231	145,864
Current accounts of legal entities	66,942	35,498
Promissory notes, savings, and deposit certificates	54,406	25,999
Bonds	45,231	31,442
Subordinated loan	32,500	26,481
Term deposits of banks	22,508	14,167
Demand accounts of individuals	13,736	12,985
Loro correspondent accounts	4,362	2,601
Expenses of previous years, fines, and penalties	987	1,056
Total interest expenses	1,132,370	702,161

6.3. Fee and Commission Income and Expenses

<i>RUB million</i>	2015	2014
Fee and commission income		
Bank card transactions	156,078	126,455
Settlement operations	54,562	38,942
Cash transactions	30,134	31,186
Account management	13,201	11,740
Bank guarantees	13,603	9,396
Currency control	4,963	4,138
Foreign currency operations	4,907	5,185
Trade funding and documentary operations	3,803	2,662
Budget funds service	3,037	1,705
Safe deposit box rental services	1,350	1,342

<i>RUB million</i>	2015	2014
Securities trading	1,038	921
Agency and other services	415	386
Other	10,610	7,056
Total commission income	297,701	241,114
Fee and commission income		
Bank card transactions	25,484	18,537
Settlement operations, expenditure	2,553	2,483
Cash collection	348	392
Other	3,375	2,527
Total commission expenses	31,760	23,939
Net fee and commission income	265,941	217,175

6.4. Net Income from Revaluation of Foreign Currency

<i>RUB million</i>	2015	2014
Net income from foreign currency revaluation except for net income from exchange rate differences on securities estimated at their fair value through profit or loss	–9,007	166,089
Net income from exchange rate differences on securities estimated at their fair value through profit or loss	3,821	6,613
Total net income from foreign currency revaluation	–6,152	172,702

6.5. Operating Expenses

<i>RUB million</i>	2015	2014
Staff costs	263,865	254,346
Administrative expenses	128,065	126,380
Depreciation	43,625	46,733
Contributions to the Mandatory Deposit Insurance Fund	34,604	30,544
Expenses from sales of own receivables	108,091	107,396
Other operating expenses	41,556	33,267
Operating expenses	619,806	598,666

6.6. Tax Expenses

The main components of tax expenses are presented below.

<i>Expenses per taxes, duties, and dues, RUB million</i>	2015	2014
VAT	25,560	26,588
Property tax	6,563	7,322
Land tax	251	265
Tax on controlled foreign companies	244	—
Transport tax	55	51
Other taxes and duties	2,428	1,404
Income taxes	53,412	82,363
Income tax to the budgets of the subjects of the Russian Federation	28,337	3,749
Income tax on operations with government securities	10,059	10,953
Change in income tax for deferred income tax	11,780	67,210
Income tax to the federal budget	3,236	451
Total tax compensation (expenses)	88,513	117,993

7. Accompanying Information to the Statement of Cash Flows

In 2015, cash outflow amounted to RUB 266.1 billion (in 2014 the inflow amounted to RUB 715.2 billion). The main items of the use of cash and cash equivalents in 2015 were the repayment of funds borrowed from Bank of Russia and the payment of interest. The main sources of cash and cash equivalents during the reporting period were interest received and funds of customers that are not credit institutions.

As of January 1, 2016, loan proceeds not utilized by the Bank amounted to RUB 10,930 million (RUB 14,080 million as of January 1, 2015). These are undrawn amounts from trade finance transactions. Funds under such transactions are drawn by Sberbank after fulfilling a number of conditions associated with the transactions, for the financing of which these funds were raised.

Sberbank effects standard operations in the financial markets, including those with Bank of Russia, within the limits established by the counterparties for each other for each type of operation.

In the reporting period, the Bank carried out the investment and financial activities that do not require the use of cash. They include return of a loan in securities by a subsidiary bank in the amount of RUB 24,550 million and repayment of loan debt at the expense of property for the amount of RUB 255.3 million. These transactions are accounted for in the relevant sections of the cash flow statement.

8. Information about the Capital

Information about equity (capital) in accordance with Bank of Russia Regulation No. 395-P

RUB million	Jan 1, '16	Jan 1, '15
Authorized capital (ordinary shares)	8,711	8,711
Paid-in capital in excess of par value	228,054	228,054
Reserve fund	3,527	3,527
Profit for the year (audited)	83,753	151,332
Profit for previous years (audited)	1,729,193	1,487,453
Intangible assets	–22,212	–16,421
Investments in ordinary shares of subsidiary financial companies/banks	–274,002	–235,094
Core capital	1,756,562	1,627,563
Additional paid-in capital	—	—
Fixed capital	1,756,562	1,627,563
Increase in value of assets due to revaluation	78,969	80,536
Profit for the year (not audited)	127,717	113,623
Subordinated loan	710,086	464,884
Authorized capital (due to the revaluation of fixed assets)	59,000	59,000
Authorized capital (preference shares)	35	40
Investments in preferred shares of subsidiary financial companies/banks	–3	–2
Provided subordinated loans	–74,639	–34,114
Additional capital	901,490	683,967
Equity (capital)	2,658,051	2,311,530

As required by Basel III, the value of regulatory capital is calculated by Sberbank based on Bank of Russia Regulation No. 395-P.

The requirements of Basel III establish three tiers of capital: core, fixed, and total. Fixed capital is the sum of core capital and additional paid-in capital. Total capital is the sum of the fixed capital and the additional capital.

The main sources of the Bank's core capital are share capital at the expense of ordinary shares (RUB 236.8 billion), audited profit for the current year (RUB 83.8 billion), retained earnings from previous years, and the reserve fund (RUB 1,733.0 billion). Intangible assets and investment in equities of financial companies reduce the core capital by RUB 296,9 billion.

Sberbank does not currently have any sources of additional paid-in capital (perpetual subordinated loans or perpetual subordinated bonds that Bank of Russia would permit to include in the structure of the additional paid-in capital). For the purpose of intraform control established by Bank of Russia, with the reporting form 0409123, the form 0409808 has line 1.5 filled as of January 1, 2016.

The additional capital of Sberbank is formed at the expense of the authorized capital built from the capitalization of asset revaluation (RUB 59.0 billion), the current year earned surplus (RUB 127.7 billion), the increase in the value of assets due to revaluation (RUB 79.0 billion), and subordinated loans (RUB 710.1 billion). The preferred shares of Sberbank included in the sources

of additional capital do not satisfy the requirements of Basel III as regards preferred shares and for this reason shall be written off in stages starting from 2013 pursuant to Clauses 3.1.1 and 8.2 of Bank of Russia Regulation No. 395-P. As of January 1, 2016, the amount of preferred stock recorded in the additional capital of the Banking Group was RUB 35 million. The extended subordinated loans decrease the total capital by RUB 74,3 billion.

8.1. Information about Capital Instruments

Shares

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Ordinary shares		
par value in terms of funds received in payment of shares	8,711	8,711
par value in terms of capitalization of fixed asset revaluation	56,050	56,050
paid-in capital	228,054	228,054
Preferred shares		
par value in terms of funds received in payment of shares	50	50
par value in terms of capitalization of fixed asset revaluation	2,950	2,950
paid-in capital	—	—

Subordinated Loans as of January 1, 2016

	<i>Currency</i>	<i>Par value, million currency units</i>	<i>Loan date</i>	<i>Repayment date</i>	<i>Rate</i>	<i>Note</i>
Subordinated loan from Bank of Russia	RUB	150,000	October 20, 2008	October 20, 2058	6.5%	Provided in accordance with FZ No. 173-FZ. Provided for a period of 50 years (renewable).
Subordinated loan from Bank of Russia	RUB	150,000	November 6, 2008	November 6, 2058	6.5%	Provided in accordance with Federal Law No. 173-FZ. Provided for a period of 50 years (renewable).
Subordinated bonds	USD	2,000	October 29, 2012	October 29, 2022	5.125%	Subject to gradual exclusion from the capital calculation starting from January 1, 2014, pursuant to Regulation No. 395-P.
Subordinated bonds	USD	1,000	May 23, 2013	May 23, 2023	5.25%	Meets all the requirements of Regulation No. 395-P
Subordinated bonds	USD	1,000	February 26, 2014	February 26, 2024	5.50%	Meets all the requirements of Regulation No. 395-P
Subordinated loan from Bank of Russia	RUB	200,000	June 18, 2014	June 18, 2064	6.5%	Provided in accordance with Federal Law No. 173-FZ. Provided for a period of 50 years (renewable).
Subordinated bonds	RUB	18,500	November 2, 2015	January 2, 2026	12.27%	Meets all the requirements of Regulation No. 395-P

Subordinated bonds of Sberbank in the amount of USD 2 billion and RUB 18.5 billion contain a requirement for absorbing losses. They are written off to income or converted into ordinary shares, if:

- the ratio of the core capital of Sberbank is reduced by 2 percent as of the reporting date, or
- the Deposit Insurance Agency implements measures to prevent Sberbank's bankruptcy in accordance with the Federal Law dated October 27, 2008, On Additional Measures to Strengthen the Stability of the Banking System during the Period up to December 31, 2014.

8.2. Information about Risk-Weighted Assets

Information on the risk-weighted assets for calculating the R1.0, R1.1, R1.2 ratios as of January 1, 2016²¹

RUB million	R1.0	R1.1	R1.2
Credit risk	20,106,564	20,019,881	20,019,881
Market risk	240,208	240,208	240,208
Operational risk	2,043,032	2,043,032	2,043,032
Total indicators for the calculation of ratios	22,389,804	22,303,121	22,303,121

Information about the risk-weighted assets for calculating the R1.0, R1.1, R1.2 ratios as of January 1, 2015

RUB million	R1.0	R1.1	R1.2
Credit risk	18,013,704	17,900,242	17,900,242
Market risk	207,334	207,334	207,334
Operational risk	1,634,929	1,634,929	1,634,929
Total indicators for the calculation of ratios	19,855,967	19,742,505	19,742,505

The risk-weighted assets are calculated in accordance with Bank of Russia Instruction No. 139-I,²² Bank of Russia Regulation No. 511-P On the Procedure for the Calculation of Market Risk by Credit Institutions, and Bank of Russia Regulation No. 346-P On the Procedure for Calculating Operational Risk. Risk-weighted assets are calculated using the approach provided for in Clause 2.3 of Bank of Russia Instruction No. 139-I.

As of year-end, the amount of risk-weighted assets increased compared with the beginning of the year, which is mainly due to the growth of the Bank's loan portfolio, recalculation of operational risk, increased credit risk on derivative financial instruments, and increased risk of changes in the value of credit claims following the deterioration in the quality of the counterparty. The growth of risk-weighted assets resulting from ruble devaluation was mitigated by extending the anticrisis measures prescribed by Bank of Russia Letter No. 01-41-1/8458 dated September 28, 2015, granting permission to use lowered currency exchange rates when calculating the prudential requirements for foreign currency assets reflected on the balance sheet and off-balance sheet accounts of the Bank as of December 31, 2014 (the measure lost force on January 1, 2016).

²¹ The credit and market risk were calculated according to Bank of Russia Letter No. 01-41-1/8458 dated September 28, 2015.

²² Bank of Russia Instruction No. 139-I On Statutory Ratios of Banks dated December 3, 2012.

8.3. Information about Capital Adequacy Ratios

Information about Capital Adequacy Ratios

%	Jan 1, '16		Jan 1, '15
	Regulatory requirement (%)	Actual value (%)	Actual value (%)
Core capital adequacy ratio (R1.1)	5.0 ²³	7.9	8.2
Fixed capital adequacy ratio (R1.2)	6.0	7.9	8.2
Total capital adequacy ratio (R1.0)	10.0 ²⁴	11.9	11.6

In accordance with the Bank's policy to manage capital adequacy of the Banking Group, the aim of capital adequacy management is to ensure the Group's ability to fulfill the goals of the strategic asset growth in strict compliance with capital adequacy requirements.

To conform to the capital adequacy ratios for the Banking Group, the following assessment methods are used:

- Forecasting capital adequacy standards
- Stress-testing of the capital adequacy
- A system of early warning indicators of the capital adequacy reduction

Forecasting capital adequacy ratios is the primary method for preventive identification of capital adequacy violations and the basis for timely management decisions.

Additionally, from time to time, stress testing of capital adequacy is performed to analyze the capital adequacy when implementing potential crisis scenarios.

In 2014, a system of early warning indicators was implemented to reveal potential violations in a timely manner. The early warning indicators and threshold values have been developed with regard to the local market specifics.

The main tools of capital adequacy management are as follows:

- Business planning and the plan for capital adequacy management
- Planning of dividends and capitalization of subsidiaries
- The system of standards for capital adequacy limits
- The contingency plan for capital adequacy management

There were no significant changes in the capital and internal limits management policy throughout 2015.

The calculation of target capital adequacy ratios is an integral part of setting the target business development indicators in the process of business planning and strategic planning. Compliance with the standards on capital adequacy limits at the planning horizon is mandatory. A capital adequacy management plan is developed annually based on the business plan, including a list of capital management activities, target values of dividends, and subsidiary capitalization.

The capital adequacy ratios of Sberbank during the period from January 1, 2015, to January 1, 2016, were complied with.

²³ Starting from the reporting periods after January 1, 2016, the reference value of N1.1 will be 4.5%.

²⁴ Starting from the reporting periods after January 1, 2016, the reference value of N1.0 will be 8%.

8.4. Earnings per Share and Dividends

Diluted and basic earnings per share are calculated in accordance with the methodology used by the Bank in its reporting in accordance with International Financial Reporting Standards (IFRS 33. Earnings per share).²⁵

As of January 1, 2016, the Bank has no shares that may potentially dilute the earnings per ordinary share of the Bank. Accordingly, the diluted earnings per share equal the basic earnings per share.

The basic earnings per share are calculated by dividing the net profit owned by the Bank's shareholders by the average weighted number of ordinary shares outstanding during the period less own shares repurchased from shareholders

	2015	2014
Net profit of the Bank owned by shareholders, RUB million	218,387	311,213
Dividends on preferred shares of the Bank declared in the above year, RUB million	450	3,200
Net profit of the Bank owned by shareholders holding ordinary shares, RUB million	217,937	308,013
Weighted average number of ordinary shares of the Bank outstanding during the above year, million units	21,587	21,587
Basic and diluted earnings per share, rubles per share	10.1	14.3

Information on dividends paid out

<i>RUB million</i>	<i>Ordinary shares</i>	<i>Preferred shares</i>
Dividends payable as of January 1, 2015	506	148
Dividends accrued for 2014	9,714	450
Dividends paid in 2015	9,840	491
Dividends payable as of January 1, 2016	380	107

<i>RUB million</i>	<i>Ordinary shares</i>	<i>Preferred shares</i>
Dividends payable as of January 1, 2014	385	117
Dividends accrued for 2013	69,078	3,200
Dividends paid out in 2014	68,957	3,169
Dividends payable as of January 1, 2015	506	148

All dividends are declared and paid out in Russian rubles.

²⁵ Bank of Russia Letter No. 129-T dated October 26, 2009, On the Methodological Recommendations "On the Procedure for Credit Institutions to Calculate Earnings per Share When Preparing Their Financial Statements in Accordance with International Financial Reporting Standards".

8.5. Change of Unrealized Revaluation of Securities Available for Sale Recognized as a Part of Capital

In 2014 and 2015, the change in the unrealized revaluation of securities recognized as a part of capital amounted to

<i>RUB million</i>	<i>2015</i>	<i>2014</i>
Revaluation at fair value of securities available for sale as of the start of the period	–223,888	–7,888
Unrealized revaluation at fair value of securities available for sale	173,348	–228,090
(Incomes) expenses charged to the accounts of profits and losses due to retirement of the securities available for sale	3,541	12,662
Revaluation at fair value of securities available for sale as of the end of the period	–46,590	–223,888

8.6. Leverage Ratio

	<i>Jan 1, '16</i>
Fixed capital, RUB million	1,756,562
Amount of balance sheet assets and off-balance-sheet claims at risk for calculating the leverage ratio, RUB million	23,985,392
Leverage ratio under Basel III, %	7.3

As of January 1, 2016, the amount of book assets used to calculate the financial leverage ratio totals RUB 23,985,392 million. This indicator is RUB 1,278,475 million greater than the value of assets determined in accordance with the balance sheet as the amount of book assets is increased by estimated noncredit liabilities and credit risk under operations with financial derivatives.

9. Information about the Risks Taken by a Credit Institution, Procedures for Their Assessment, and Management

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

9.1. Integrated Risk Management of the Group

The list of significant risks of the Group is updated annually. The Group recognizes the need for a risk management system, consistent with the provisions of the Bank's Risk and Equity Management Strategy²⁶, Bank of Russia recommendations, and requirements of the Basel Committee in the field of risk management. All identified significant risks of the Group are classified by the decision of the Group's Risk Board Committee²⁷ into selected groups of risk, the management functions for which are distributed among the committees of the Bank's Board. Risk management on an integrated level is performed by the GRC, the Board, and the Supervisory Board of the Bank.

Units of the "Risks" block at the Bank are responsible for the formation of an integrated risk management system and also deal with management of the Group's key risks: credit risk (including country risk), market risks of the trading book, operational risks, model risk. To avoid conflicts of interest between the control of risk level and the Bank's yield increase, the units generating the Bank's income are not directly subordinated to the Deputy Chairman of the Board of the Bank, who coordinates the "Risks" block. Management of the currency and interest rate risks of the bank book and liquidity risks is attributed to the terms of reference of the Bank's Treasury (the "Risks" block monitors the level of these risks). The Bank's departments outside the "Risks" block are responsible for the control of all other material risks. The "Risks" block provides methodological support to these units and aggregates data on these risks to calculate the consolidated risk factors.

With a view to inform the Bank's management and governance boards involved in the risk management processes, a system of reports is applied subject to the following principles:

- When preparing the reports, the main focus is placed on active decision making (i.e., the prospects) rather than on stating the facts.
- Reports are formed in terms of structural units, thus allowing considering the main risk positions in totality for the whole financial institution, with the necessary level of detail.
- Operational management reports are formed weekly/monthly and contain basic operational metrics that characterize the quality of the preloan process and loan portfolio.
- Reports on the most important issues of risk management are formed on a quarterly basis. It is an overview of the accepted risks in comparison with the Risk Appetite and cascaded limits containing, *inter alia*, the current risk profile, forecasts, and results of stress testing, concentration risks and actual risks, monitoring of actions, etc.
- Other reports are also issued on a regular basis, though less frequently, including those on the results of the identification and assessment of risks, on the adequacy of economic capital, on the adequacy of regulatory capital under Basel II, on the earnings-at-risk (EaR), on the results of stress testing, and others.

The following describes the management of the selected groups of the Group's significant risks.

²⁶ The Risk and Equity Management Strategy of Sberbank is approved by Resolution of the Bank's Supervisory Board dated September 16, 2015, and posted on the Internet on the public website: www.sberbank.com.

²⁷ Hereinafter referred to as the "GRC".

9.2. Credit Risk

Types of credit risks:

Credit risks of corporate customers, retail customers, and financial institutions include the following types of risks:

Credit risk of migration is the risk of losses associated with complete or partial loss of value:

- of a financial asset that is not subject to daily revaluation at current fair value (for example, credit, debt security held to maturity) due to a default or deterioration in the credit quality of the counterparty/issuer (migration);
- of a security due to the issuer's default.

Counterparty risk in financial market operations is a risk associated with the counterparty's unwillingness or inability to perform liabilities under a transaction completely and in a timely manner. The counterparty risk is a type of mutual exposure under futures deals, which can vary over time in response to market trends or fluctuations in the price of underlying assets.

The counterparty risk has two components:

- Presettlement risk, which is a risk of incurring losses in connection with a possible failure of the counterparty to perform its contractual liabilities during the period of transaction
- Settlement risk, which is a risk of losses in connection with a possible failure of the counterparty to perform its liability after the Bank has fulfilled its liability under the contract or agreement (by providing cash and cash equivalents, securities and other assets) as of the date of mutual settlements

Risk of concentration (as regards credit risk) is a risk related to:

- Provision of large loans to a single borrower or groups of related borrowers
- Concentration of debts in separate sectors of the economy, segments, portfolios, geographic regions, etc.
- Concentration of investments in securities within separate sectors or geographic regions
- Other liabilities making them vulnerable to the same economic factors

Residual risk is a risk arising due to the fact that the methods of risk mitigation used by the Bank can fail to produce the desired effect due to a realization of risks on the security, such as legal risk and liquidity risk.

General Description of Credit Risk Management

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

The Bank's *objectives* in credit risk management are as follows:

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

The bank employs the following methods of credit risk management:

- Preventing credit risk by way of identification, analysis, and evaluation of possible credit risks prior to conducting an operation
- Implementing unified processes of risk evaluation and identification
- Planning the credit risk level by means of evaluation of the level of expected losses
- Limiting the credit risk by establishing limits and/or other restrictions for the risk
- Creating provisions for possible losses from loans issued
- Structuring of transactions
- Managing the collateral for transactions
- Using the system of decision-making authority
- Monitoring and controlling the level of credit risk

Credit risk is evaluated for the Bank in general and for individual portfolios of assets exposed to credit risk and in terms of individual credit risks of specific counterparties and groups of counterparties, countries, geographic regions, sectors of the economy/types of economic activity.

The Bank uses a *system of internal ratings* based on economic and mathematical models of evaluating the probability of counterparty and transaction default. Models evaluating the probability of default are subject to periodic calibration on the basis of historical data collected.

The system of credit ratings ensures a differentiated evaluation of probability of the counterparties' failure to perform/improper performance of their obligations. The evaluation is based on analysis of quantitative (financial) and qualitative factors of credit risks, the level of their impact on the counterparty's capacity to perform and discharge the undertaken liabilities. The Bank's internal regulatory documents envisage evaluation of the aggregate of factors, whose list is standardized depending on the types of counterparties. At the same time, it is mandatory to provide evaluation of the risk factors related to the contractor's financial standing and the trends of its changing, structure of property, business reputation, credit history, cash flow and financial risk management system, information transparency, customer's position in the industry and region, support provided on the part of state authorities and parent companies, and also on the part of the borrower's group. Taking into account the analysis of the above risk factors, the probability of counterparty/transaction default is evaluated, and the counterparties/transactions are further classified by ratings.

Individual credit risks of the Bank's counterparties for transactions that carry credit risks are evaluated depending on types of counterparties:

- For corporate customers, credit institutions, financial companies, small business entities, countries, subjects of the Russian Federation, municipal entities, insurance and leasing companies: on the basis of the credit ratings system and by building models of predicted cash flow or other important indicators
- For individuals and micro business entities: based on evaluation of paying capacity of counterparties in accordance with the Group's internal regulations and express evaluation

The risk control and limitation as well as control of the expected losses of the Bank as a result of a default of the Borrower/group of related borrowers are performed with the help of the *system of limits* that functions for each business line. The scope of the established limit is determined by the level of the Borrower's risk that is estimated based on the valuation of the financial and nonfinancial (quality) status of this Borrower. The indicators of market and outside influence, characteristics of management quality, assessment of business standing, and other factors are used as nonfinancial factors.

As part of corporate credit risks, to manage the credit risk, a multilevel system of limits was developed. It is used to limit the risk of lending operations and operations in the financial markets.

Country risk limits are separately identified. Their purpose is to restrict and manage risks assumed by the Group in respect of individual countries. Country risk limits are structural risk limits that restrict the geographic concentration of the Group's risks (other than risks in the Russian Federation) and do not restrict the risks of transactions with individual counterparties.

The task of the Bank and the Group members in the management of country risk limits is to comply with the requirements and restrictions set at the Group level.

To improve the quality of credit risk control, an automated system of managing the limits of credit risk was introduced at the Bank in 2014. In 2015, work on the optimization of this system was performed.

Proceeding from the principles of caution and the balance of probabilities and in order to cover the losses expected from a realization of credit risk for assets exposed to credit risk, the Bank and the Group as a whole create provisions for possible losses from loans and other possible losses. The provisions are created in accordance with the requirements of Bank of Russia, Bank Regulators, International Standards,²⁸ and internal regulations of the Bank and the Group as a whole that provide for a regular monetary valuation of credit risk (the losses expected in case of a realization of the credit risk) taking into account internal credit risks of the counterparties.

To ensure the proper adequacy of procedures for evaluating the credit risk level and determining the amount of provisions for possible losses from loans as well as lowering the material and labor costs when classifying the total loans granted by the Bank and the Group as a whole, similar loans are classified as portfolios of similar loans; the provisions for such similar loans are created without seeking separate professional judgment on the credit risk level for each individual loan.

The Bank pays close attention to *controlling the concentration of major credit risks*, complying with prudential requirements of the regulator, and analyzing and predicting the level of the credit risks. The following methods are used:

- A distributed mechanism for identifying borrowers' legal and economic connection criteria and further centralized maintenance of the unified list of related borrowers' groups at the level of Group members
- Establishing limits broken down by borrowers and groups of related borrowers
- Identifying groups of borrowers broken down by industry and country affiliation
- Analyzing the portfolio in terms of customer segments and credit products

Availability of *security* is the main tool for decreasing the credit risk arising from failure to pay under loan contracts. In accordance with the Bank's policy, the necessity of taking a security for loans and the amount of the security depends, among other things, on the risk of the borrower/transaction and is documented in the terms and conditions of credit products.

As one of the approaches to hedging of credit transaction risks, a Collateral Policy (as part of the credit policy) determining the basic principles and elements of organizing the work with collateral security in lending is developed and used. The Collateral Policy is aimed at enhancing the quality of the credit portfolio as regards collateral security. The collateral quality is determined by the probability of receiving funds in the amount of the expected collateral value when enforcing upon the collateral or its sale. The collateral quality is indirectly characterized by the list and materiality of risks associated with the collateral and is determined by a number

²⁸ The international financial reporting standards approved by the International Financial Reporting Standards Committee.

of factors: liquidity, accuracy of determining the value, risk of depreciation, exposure to risks of loss and damage, legal risks, etc.

Collateral value is appraised based on an internal expert appraisal by the Bank's professionals, an appraisal by independent appraisers, or based on the cost of the collateral item in the borrower's accounting reporting, with discount applied. Guarantees for financially reliable legal entities as securities also require evaluation of risks of both the guarantor and the borrower.

Each territorial subdivision receives a risk profile determining its *decision-making authority*, depending on the risk category of the application. In turn, the risk category of the application depends on the borrower risk (determined by the borrower's rating), the aggregate limit on the borrower/group of related borrowers, and on the transaction risk (determined by the presence of extraordinary conditions in the transaction and LGD, which means losses upon default). Therefore, the existing systems of limits and authorities help optimize the credit process and duly manage the credit risk.

The system of controlling and monitoring the Group credit risks level is implemented based on the principles that ensure preliminary, current, and follow-up control of operations, compliance with the established risk limits, and their timely updating, which is documented in internal regulations.

*Classification of assets assessed for the purpose of creating provisions by quality categories as of January 1, 2016*²⁹

	Quality categories					
RUB million	I	II	III	IV	V	Total
Assets for which a provision for possible losses is created						
Assets assessed for creating provisions for possible losses from loans	8,737,424	7,304,781	872,123	213,006	753,288	17,880,623
Loans to banks	1,359,645	116,833	3,017	17,594	—	1,497,089
Loans to legal entities	7,376,496	3,403,053	745,430	175,178	548,607	12,248,763
Loans to individuals	1,284	3,784,895	123,676	20,235	204,681	4,134,771
Investments in securities assessed for creating provisions for possible losses	389,448	8,434	10,287	0	1,974	410,144
Securities available for sale	719	—	50	0	0	770
Securities held to maturity	388,729	8,434	10,237	—	1,974	409,374
Other assets assessed for creating provisions for possible losses	1,210,095	131,460	77,450	3,561	38,273	1,460,839
Other receivables from credit institutions	969,663	19,702	101	14	839	990,319
Other receivables from legal entities	240,357	84,764	69,370	3,096	18,091	415,678
Other receivables from individuals	75	26,994	7,978	451	19,343	54,842
Noncore assets	—	5,665	1,839	—	—	7,504
Total assets for which a provision for possible losses is created	10,336,967	7,450,341	961,699	216,567	793,536	19,759,110

²⁹ Based on the reporting form 0409115 "Credit Institution's Asset Quality Data".

	Quality categories					
RUB million	I	II	III	IV	V	Total
Provision for possible losses						
Provisions for possible losses from loans	57	110,157	119,278	114,369	666,959	1,010,819
Loans to banks	—	19,159	1,028	9,677	—	29,863
Loans to legal entities	57	50,464	110,985	97,932	477,303	736,741
Loans to individuals	—	40,534	7,264	6,761	189,656	244,215
Provisions for possible losses from securities	—	84	5,144	0	1,974	7,202
Other provisions for possible losses	—	6,421	14,475	2,222	37,692	60,810
Other receivables from credit institutions	—	3,814	26	7	839	4,686
Other receivables from legal entities	—	2,269	14,008	2,067	18,174	36,517
Other receivables from individuals	—	339	442	148	18,679	19,607
Noncore assets	—	595	815	—	—	1,411
Total provisions for possible losses	57	117,258	139,712	116,591	706,624	1,080,243

Classification of assets assessed for creating provisions by quality categories as of January 1, 2015³⁰

	Quality categories					
RUB million	I	II	III	IV	V	Total
Assets for which a provision for possible losses is created						
Assets assessed for creating provisions for possible losses from loans	8,406,453	6,704,643	788,255	204,906	586,326	16,690,583
Loans to banks	940,552	29,000	1,374	1,511	—	972,436
Loans to legal entities	7,462,868	2,795,965	767,749	177,822	443,806	11,648,210
Loans to individuals	3,034	3,879,678	19,132	25,573	142,520	4,069,937
Investments in securities assessed for creating provisions for possible losses	34,636	14,388	3,062	—	28	52,114
Securities available for sale	6,830	—	3,062	—	28	9,921
Securities held to maturity	27,805	14,388	—	—	—	42,194
Other assets assessed for creating provisions for possible losses	784,682	54,134	19,824	1,966	24,236	884,842
Other receivables from credit institutions	588,805	657	2,364	92	132	592,051
Other receivables from legal entities	195,865	21,057	17,010	1,104	12,744	247,780
Other receivables from individuals	13	32,420	449	770	11,360	45,011
Noncore assets	—	3,303	2,754	—	—	6,057
Total assets for which a provision for possible losses is created	9,225,772	6,776,469	813,894	206,872	610,590	17,633,597
Provision for possible losses						
Provisions for possible losses from loans	73	81,945	110,349	80,110	528,727	801,204
Loans to banks	—	391	496	906	—	1,793
Loans to legal entities	73	41,543	108,109	70,136	400,812	620,673

³⁰ According to Form 0409115.

<i>RUB million</i>	<i>Quality categories</i>					<i>Total</i>
	<i>I</i>	<i>II</i>	<i>III</i>	<i>IV</i>	<i>V</i>	
Loans to individuals	—	40,011	1,744	9,068	127,915	178,738
Provisions for possible losses from securities	—	2,021	1,531	—	28	3,580
Other provisions for possible losses	—	1,465	3,885	801	23,697	29,848
Other receivables from credit institutions	—	32	612	47	132	823
Other receivables from legal entities	—	952	3,237	460	12,588	17,237
Other receivables from individuals	—	481	36	294	10,977	11,788
Noncore assets	—	603	991	—	—	1,594
Total provisions for possible losses	73	86,033	116,756	80,911	552,452	836,225

As of January 1, 2016, the fair value of the securities assessed for the purpose of creating provisions for possible losses amounted to RUB 391,455 million (RUB 41,485 million as of January 1, 2015).

Information about Classification of Assets According to Risk Groups³¹

Below are the risk-weighted assets used to calculate Sberbank's obligatory ratios.

	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Ar11	2,452,346	3,150,864
Ar12	2,452,346	3,150,864
Ar10	2,452,346	3,150,864
Ar21	346,580	250,559
Ar22	346,580	250,559
Ar20	341,708	248,953
Ar31	423,357	162,556
Ar32	423,357	162,556
Ar30	419,544	160,947
Ar41	12,089,405	10,549,896
Ar42	12,089,405	10,549,896
Ar40	12,184,784	10,666,573
Ar51	6,249	5,853
Ar52	6,249	5,853
Ar50	6,249	5,853

³¹ According to Clause 2.3 of Bank of Russia Instruction No. 139-I dated December 3, 2012, On Obligatory Ratios for Banks.

Overdue Receivables

Jan 1, '16

RUB million	including overdue debt						Provision for possible losses	
	Amount	Total	including by delay				Est.	Actual
			up to 30 days	from 31 to 90 days	from 91 to 180 days	Over 180 days		
Loan debts	17,880,623	871,424	201,196	115,784	104,737	449,706	1,195,288	1,010,819
Credit facilities (loans) granted, deposits made	17,404,557	832,530	196,180	115,017	97,840	423,493	1,152,215	970,074
Claims for rights (claims) acquired under transaction (assignment of claim)	152,318	7,367	—	—	937	6,430	7,883	6,279
Receivables under transactions involving alienation (acquisition) of financial assets with the simultaneous granting to the counterparty of a grace period (supply of financial assets)	28,071	21,891	4,976	11	5,334	11,570	21,510	21,413
Claims for return of cash funds granted for transactions conducted with securities repayable without recognition of the securities received	277,106	—	—	—	—	—	478	175
Amounts paid out by the lender to the beneficiary under bank guarantees but not recovered from the principal	14,580	8,069	40	756	187	7,086	12,448	12,124
Claims against payers under paid letters of credit	3,604	1,567	—	—	440	1,127	673	673
Amounts paid out by the lender to the beneficiary under bank guarantees but not recovered from the principal	14,580	8,069	40	756	187	7,086	12,448	12,124
Claims against payers under paid letters of credit	3,604	1,567	—	—	440	1,127	673	673
Discounted promissory notes	386	—	—	—	—	—	81	81
Securities	410,144	—	—	—	—	—	7,202	7,202
Other receivables	1,460,839	38,836	4,996	4,326	6,511	23,004	59,033	60,810
Noncore assets	7,504	—	—	—	—	—	1,411	1,411

Jan 1, '15

RUB million	including overdue debt						Provision for possible losses	
	Amount	Total	including by delay				Est.	Actual
			up to 30 days	from 31 to 90 days	from 91 to 180 days	Over 180 days		
Loan debts	16,690,583	700,540	254,358	97,747	52,507	295,929	986,107	801,204
Credit facilities (loans) granted, deposits made	16,319,930	672,090	246,257	89,246	52,158	284,429	952,846	774,880
Claims for rights (claims) acquired under transaction (assignment of claim)	95,996	13,318	486	8,439	144	4,250	9,862	8,278
Receivables under transactions involving alienation (acquisition) of financial assets with the simultaneous granting to the counterparty of a grace period (supply of financial assets)	15,395	9,004	6,429	—	199	2,376	9,295	9,585
Claims for return of cash funds granted for transactions conducted with securities repayable without recognition of the securities received	211,524	—	—	—	—	—	5,851	248
Receivables (including return) of debt securities, shares, bills of exchange, promissory notes, and precious metals provided under a loan contract	24,550	—	—	—	—	—	—	—
Amounts paid out by the lender to the beneficiary under bank guarantees but not recovered from the principal	8,708	5,096	154	62	5	4,875	8,119	8,079
Claims against payers under paid letters of credit	1,558	1,031	1,031	—	—	—	52	52
Discounted promissory notes	6,826	—	—	—	—	—	81	81
Other receivables	6,097	—	—	—	—	—	—	—
Securities	52,114	28	—	—	—	28	3,580	3,580
Other receivables	884,842	26,522	4,054	4,153	3,068	15,248	30,923	29,848
Noncore assets	6,057	—	—	—	—	—	1,594	1,594

For loans classified into quality categories II–V, the Bank shall create a provision by taking into account the amount of collateral of I and II quality categories, the list of which is defined by Clauses 6.2 and 6.3 of Bank of Russia Regulation No. 254-P. The security shall be accounted for provision purposes only in the absence of the restrictions established by Clause 6.5 of the above document.

As of January 1, 2016, security amounted to RUB 14,261 billion, including security of quality categories I and II, which amounted to RUB 475 billion and 4,010 billion, respectively. As of January 1,

2015, the security amounted to RUB 13,060 billion, including the security of quality categories I and II, which amounted to RUB 427 billion and 4,384 billion, respectively.

Overdue loan debts broken down by client group are presented below.

<i>RUB million</i>	<i>Total</i>	<i>Jan 1, '16</i>			
		<i>up to 30 days</i>	<i>from 31 to 90 days</i>	<i>from 91 to 180 days</i>	<i>over 180 days</i>
Legal entities	567,974	121,172	80,158	78,615	288,030
Individuals	303,386	79,961	35,626	26,123	161,676
Credit institutions	64	64	—	—	—
Total overdue debt	871,424	201,196	115,784	104,737	449,706

<i>RUB million</i>	<i>Total</i>	<i>Jan 1, '15</i>			
		<i>up to 30 days</i>	<i>from 31 to 90 days</i>	<i>from 91 to 180 days</i>	<i>over 180 days</i>
Legal entities	442,218	161,815	60,619	23,867	195,917
Individuals	253,007	87,228	37,128	28,640	100,011
Credit institutions	5,315	5,315	—	—	—
Total overdue debt	700,540	254,358	97,747	52,507	295,929

Restructured Loans

As of January 1, 2016, the amount of restructured corporate loans amounts to RUB 2,907.5 billion, and their share in the corporate credit portfolio is 12.8% (as of January 1, 2015, RUB 2,212.0 billion and 10.2%, respectively). Restructuring means such alteration of the original material terms and conditions of the loan agreement made with the debtor for its benefit not provided for by the original material terms and conditions of the loan agreement.

As of January 1, 2016, the amount of restructured loans to individuals in the credit portfolio amounted to RUB 149.2 billion, and their share in assets was 0.7% (as of January 1, 2015, RUB 72.5 billion and 0.3%, respectively). The standard restructuring options provide for an increase in the period of using the loan, change in the loan repayment procedure, full or partial waiver of penalties, and change in the currency of the loan.

Level of Concentration of Major Credit Risks

The Bank pays close attention to controlling the level of concentration of major credit risks. Pursuant to its internal regulatory documents, the Bank conducts daily monitoring of major credit risks and projection of compliance with the requirements imposed by Bank of Russia for the standards³² R6 (maximum exposure per borrower or group of affiliated borrowers) and R7 (limit on major credit risks). For these purposes, the List of Major and Related Borrowers of the Bank is maintained and monitored.

The share of loans of the 20 largest borrowers (groups of borrowers)³³ for 2015 changed from 24.5% to 27.8% of the customer loan portfolio. The Bank's major borrowers come from various sectors of the economy; therefore, the credit risk is adequately diversified.

³² Bank of Russia Instruction No. 139-I dated December 3, 2012, On Banks' Required Ratios in its current wording.

³³ This indicator is calculated as follows: loan debt of the 20 largest borrowing companies (groups of companies) refers to the remainder of the loan portfolio of legal entities and individuals; both the numerator and denominator include fixed-term, overdue debt, and cession agreements; the debt of the 20 largest companies includes the debt of Sberbank's subsidiaries, while the debt of banks is ignored.

On the Fair Value of Sold or Repledged Collateral and on the Liability of Credit Institutions to Return It

During the settlement of uncollectible and overdue debts of legal entities and individuals, the Bank sells the property previously put on the Bank's books. During 2015, the Bank sold property worth RUB 834 million, against RUB 1,431 million in 2014. An overwhelming part of the sold property is formed by real estate items (apartments, land property, nonresidential facilities).

On the Assets Used by the Bank as a Security for Fund Raising

The volume of liquid assets accepted as collateral by Bank of Russia³⁴ which were used by the Bank as collateral to raise funds amounted to RUB 0.5 trillion as of January 1, 2016, and as of January 1, 2015, RUB 3.8 trillion. These assets were used to raise funds from Bank of Russia and other counterparties under repo operations and to raise loans from Bank of Russia secured by credit claim rights for a period not exceeding 3 years and secured by bonds issued to finance investment projects for a period of more than 1 year.

9.3. Receivables Assignment Transactions

In the receivables assignment transactions, the main objectives are to raise liquidity and deal with troubled assets. When processing troubled debts, Sberbank transfers the credit risk on the receivables being assigned in full. When assigning these receivables, Sberbank acts as an initial creditor. During 2015, Sberbank did not assign any receivables to mortgage agents and specialized companies. To raise liquidity in December 2014, Sberbank assigned to Mortgage Agent SB-2014 LLC its receivables with regard to a mortgage loan portfolio in the amount of RUB 10,429.2 million. Sberbank was the original creditor (originator) of assigned loans. When assigning its receivables, Sberbank retained the credit risk on mortgage loans:

- It granted the loan that absorbs losses on mortgage loans as the loan obligations will be performed after satisfying the claims on bonds.
- It bought the junior tranche of bonds issued by Mortgage Agent SB-2014 LLC.
- It assumed the liability to redeem the defaulted mortgage loans at their nominal value.
- It assumed the liability to redeem the remaining loans when the nominal value of outstanding mortgage loans falls below a certain limit.

This transaction was performed without assigning a rating. Mortgage Agent SB-2014 LLC is not affiliated with Sberbank under Russian law. The table below provides information on the value of assets and liabilities arising for Sberbank in connection with receivables assignment transactions.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Loan (%)</i>	<i>Jan 1, '15</i>	<i>Loan (%)</i>
Bonds issued by Mortgage Agent SB-2014 LLC	1,111	100	1,111	100
Loan granted to Mortgage Agent SB-2014 LLC	139	100	203	100
Total	1,250	100	1,314	100

As of January 1, 2016, and January 1, 2015, no provision had been created for these assets.

³⁴ The Liquid assets here mean securities included in the Lombard List of Bank of Russia, including those received by the Bank under reverse repo transactions, and the credit claim rights of the Bank included in the list of assets accepted by Bank of Russia as collateral for loans (including the loans granted under Bank of Russia Regulation No. 312-P dated November 12, 2007, On the Procedure for Bank of Russia's Granting Loans to Credit Institutions Secured by Assets or Sureties).

Sberbank maintains records of claims assignment transactions in accordance with Bank of Russia Regulation No. 385-P On the Rules for Accounting at Credit Institutions Located within the Russian Federation. The table below provides information on the book value of claims assigned in 2015.

<i>RUB million</i>	<i>Amount of claims assigned</i>	<i>Including those of quality category IV and V</i>	<i>Income from assignment of claims³⁵</i>	<i>Loss from assignment of claims</i>
Major customers	94,559	88,489	51,867	37,519
Large customers	27,405	25,245	24,562	16,554
Mid-size customers	38,611	36,729	27,819	24,631
Small business customers	9,307	8,501	6,335	5,412
Other	1,467	1,467	1,274	382
Total	171,349	160,432	111,857	84,499

<i>RUB million</i>	<i>Amount of claims assigned</i>	<i>Including those of quality category IV and V</i>	<i>Income from assignment of claims³⁵</i>	<i>Loss from assignment of claims</i>
Consumer Loans	24,115	23,860	20,875	22,950
Mortgage loans	823	823	755	636
Car loans	11	11	15	6
Total	24,949	24,694	21,645	23,592

The table below provides information on the book value of claims assigned in 2014.

<i>RUB million</i>	<i>Amount of claims assigned</i>	<i>Including those of quality category IV and V</i>	<i>Income from assignment of claims</i>	<i>Loss from assignment of claims</i>
Major customers	34,042	30,765	30,723	23,832
Large customers	123,036	119,133	56,540	54,831
Mid-size customers	17,667	17,144	14,788	12,337
Small business customers	10,861	9,907	9,059	7,355
Other	802	152	151	59
Total	186,408	177,101	111,261	98,414

<i>RUB million</i>	<i>Amount of claims assigned</i>	<i>Including those of quality category IV and V</i>	<i>Income from assignment of claims³⁵</i>	<i>Loss from assignment of claims</i>
Mortgage loans	12,584	2,203	4,506	1,830
Consumer Loans	7,756	7,303	5,332	7,130
Car loans	34	34	28	22
Total	20,374	9,539	9,866	8,982

In the first quarter of 2016, the Bank does not plan any assignment of claims to mortgage agents and specialized companies.

³⁵ Income under the assignment of claim comprises income accounted in symbol 12407 (previously 16302) of form 0409102 and income from recovery of provisions for the assigned assets accounted in symbol 16305 of form 0409102.

9.4. Liquidity Risk

Liquidity risk management helps secure the bank's capability to perform its obligations to clients and contractors unconditionally and in due time in compliance with the regulations of Bank of Russia concerning the management of liquidity risk either in normal business conditions or in crisis situations. The key document that governs liquidity risk management is Sberbank's Liquidity Risk Management Policy. In the process of managing liquidity risk, the Bank differentiates the risks of normative, physical, and structural liquidity.

Regulatory liquidity risk includes the violation of regulatory limits for obligatory liquidity ratios set by Bank of Russia (R2, R3, R4, or RLQ). To manage regulatory liquidity risk, the Bank carries out a weekly monitoring and forecast of mandatory liquidity standards for various time horizons. In addition, Sberbank has established a system of limits for the values of statutory liquidity ratios that ensures compliance with the restrictions set by Bank of Russia both on the reporting and on the monthly dates taking into account possible fluctuations of certain balance sheet items.

Physical liquidity risk means the Bank's inability to fulfill its obligations to contractors in any currency due to a lack of funds: impossibility to effect a payment, issue a loan, etc. The instruments of physical liquidity risk management in the short-term include a cash flow prediction model broken down by principal currencies and control over accessible bank liquidity reserves. To cover a possible liquidity shortage in excess of available funds, the Bank can tap into liquidity provisions that include direct REPO transactions with Bank of Russia, the Federal Treasury, and market counterparties secured by securities, Federal Treasury deposits, currency swaps, and precious metal swaps; and borrowings from Bank of Russia secured by nonmarket assets and the guarantees of credit institutions.

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

The approach to liquidity management in 2015 was largely determined by the existing macroeconomic situation and the state of the Russian financial sector (sanctions imposed on Russia by the EU and USA, the volatility of the exchange rate of the ruble, and other factors). However, thanks to its flexible interest rate policy and effective management of the assets and liabilities base, in 2015, the Bank managed to reduce the amount of funds borrowed from Bank of Russia and the federal budget by RUB 3.0 trillion to RUB 0.8 trillion mainly by attracting funds from customers and by reducing the volume of cash as part of the optimization of cash balance management. As of January 1, 2016, the Bank maintains ruble and foreign currency reserves at an adequate level to respond to a worsened liquidity situation.

In 2015, Bank of Russia announced the establishment of the short-term liquidity ratio (Basel III, STLR, R26) as a prudential ratio starting January 1, 2016. The minimum admissible ratio in 2016 stands at 70%, with another 10% annual increase until reaching 100% starting January 1, 2019. The ratio on Sberbank shall be calculated at the level of Sberbank Group. Sberbank's business plan requires strict compliance with liquidity standards throughout 2016.

As of January 1, 2016, Sberbank more than complies with the mandatory liquidity standard limits established by Bank of Russia.

Compliance with liquidity requirements

Liquidity requirements	Limit set by Bank of Russia (%)	The cap established by Sberbank (%)	Limit as of the reporting date (%)	
			Jan 1, '16	Jan 1, '15
R2	more than 15	20	116.4	74.3
R3	over 50	55	154.4	66.4
R4	less than 120	115	65.5	111.2

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

Securities carried at fair value through profit or loss as well as the most liquid share of securities available for sale are considered liquid assets as they can easily be converted into cash within a short period of time. Such assets are placed in the table below in the category "On demand and less than 1 month". Assets with overdue repayment periods are categorized as "nonidentified" in terms of actually overdue payment.

The level of liquidity for the assets and liabilities of the Bank as of January 1, 2016, is presented below.

RUB million	on demand and less than 1 month	from 1 to 6 months	from 6 months up to 1 year	from 1 year to 3 years	over 3 years	no stated maturity	Total
ASSETS							
Cash and cash equivalents	732,790	—	—	—	—	—	732,790
Due of credit institutions held with the Central Bank of the Russian Federation	513,604	31,158	20,092	14,695	7,136	—	586,685
including obligatory reserves	45,282	31,158	20,092	14,695	7,136	—	118,363
Funds held by credit institutions	355,985	—	—	—	—	—	355,985
Financial assets carried at fair value through profit or loss	77,265	48,632	150,518	84,830	44,733	—	405,978
Loan debt before provisions for possible losses	1,669,910	1,723,484	2,091,521	5,508,682	6,341,211	545,815	17,880,623
Net investments in securities and other financial assets available for sale	1,779,625	—	—	—	—	536,732	2,316,357
including investments in subsidiaries and dependent entities	—	—	—	—	—	536,732	536,732
Net investments in securities held to maturity	—	8,324	21,050	192,695	214,403	—	436,472
Current tax receivables	—	—	—	19,774	—	—	19,774
Deferred tax asset	—	—	—	—	—	—	—
Fixed assets, intangible assets, and inventories	—	—	—	—	—	477,355	477,355
Other assets	376,458	16,976	14,967	37,729	39,053	20,533	505,716
Total assets	5,505,637	1,828,574	2,298,148	5,858,405	6,646,536	1,580,435	23,717,735

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months up to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
LIABILITIES							
Loans, deposits, and other funds of the Central Bank of the Russian Federation	0	3,858	3,117	262,014	500,000	—	768,989
Due to credit institutions	359,992	113,824	59,296	61,815	23,437	—	618,364
Due to customers other than credit institutions	6,915,294	4,537,041	2,938,836	2,244,211	1,087,041	—	17,722,423
including due to individuals	3,026,901	3,491,483	2,265,144	1,241,635	196,122	—	10,221,285
Financial liabilities carried at fair value through profit or loss	11,005	57,564	61,109	48,776	49,713	—	228,167
Debt securities in issue	112,685	298,717	179,399	36,424	20,469	—	647,694
Current tax liabilities	—	—	—	5,404	—	—	5,404
Deferred tax liability	—	—	—	—	—	93,348	93,348
Other liabilities	235,896	12,812	5,035	56	9	2,759	256,567
Total liabilities	7,634,872	5,023,816	3,246,792	2,658,700	1,680,669	96,107	20,340,956
Net liquidity gap	−2,129,235	−3,195,242	−948,461	3,199,705	4,965,867	1,484,328	3,376,779
Aggregate liquidity gap	−2,129,235	−5,324,477	−6,273,121	−3,073,416	1,892,451	3,376,779	

The level of liquidity for assets and liabilities of the Bank as of January 1, 2015, is presented below.

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months up to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
Assets							
Cash and cash equivalents	1,240,712	—	—	—	—	—	1,240,712
Due of credit institutions held with the Central Bank of the Russian Federation	278,834	31,697	24,510	23,773	10,862	—	369,676
including obligatory reserves	51,680	31,697	24,510	23,773	10,862	—	142,522
Funds held by credit institutions	356,487	—	—	—	—	—	356,487
Financial assets carried at fair value through profit or loss	190,623	125,670	248,291	202,254	58,850	—	825,688
Loan debt before provisions for possible losses	1,271,259	1,614,720	2,209,632	4,768,733	6,507,410	318,829	16,690,583
Net investments in securities and other financial assets available for sale	1,359,651	—	—	—	—	385,839	1,745,490
including investments in subsidiaries and dependent entities	—	—	—	—	—	385,839	385,839

<i>RUB million</i>	<i>on demand and less than 1 month</i>	<i>from 1 to 6 months</i>	<i>from 6 months up to 1 year</i>	<i>from 1 year to 3 years</i>	<i>over 3 years</i>	<i>no stated maturity</i>	<i>Total</i>
Net investments in securities held to maturity	—	13,881	5,968	124,935	221,690	—	366,474
Current tax receivables	—	—	—	67,058	—	—	67,058
Deferred tax asset	—	—	—	—	—	—	—
Fixed assets, intangible assets, and inventories	—	—	—	—	—	478,612	478,612
Other assets	274,724	14,914	31,194	26,654	31,916	27,782	407,184
Total assets	4,972,290	1,800,882	2,519,595	5,213,407	6,830,728	1,211,062	22,547,964
Liabilities							
Loans, deposits, and other funds of the Central Bank of the Russian Federation	1,495,736	1,278,229	237,300	4,553	500,000	—	3,515,818
Due to credit institutions	345,757	124,756	172,397	131,793	20,153	—	794,856
Due to customers other than credit institutions	5,203,047	3,059,655	2,322,268	2,359,620	1,082,134	—	14,026,724
including due to individuals	2,139,953	2,023,850	1,964,300	1,653,677	217,272	—	7,999,052
Financial liabilities carried at fair value through profit or loss	51,702	190,454	239,642	93,628	42,518	—	617,944
Debt securities in issue	69,407	174,063	178,257	65,685	25,990	—	513,402
Current tax liabilities	—	2	—	—	—	—	2
Deferred tax liability	—	—	—	—	—	42,891	42,891
Other liabilities	194,506	15,028	4,213	2,499	7	—	216,253
Total liabilities	7,360,155	4,842,187	3,154,077	2,657,778	1,670,802	42,891	19,727,890
Net liquidity gap	-2,387,865	-3,041,305	-634,482	2,555,629	5,159,926	1,168,171	2,820,074
Aggregate liquidity gap	-2,387,865	-5,429,170	-6,063,652	-3,508,023	1,651,903	2,820,074	

Current accounts of clients other than credit institutions, including private on-demand deposits, are included in the "on-demand and under 1 month" category. At the same time, diversification of funds due to customers by number and type of depositors as well as the Bank's experience show that such accounts and deposits are a long-term and stable source of financing. Therefore, the amount of cash outflow expected by the Bank within one month from the reporting date is much less than the amount indicated in the table above. This expectation is based on statistical data accumulated during the previous periods and on the assumptions on the stable balance amounts on the clients' current accounts.

In 2015, there was a decrease in the liquidity gap for short terms (up to 6 months), which was caused by a reduction in the amount of funds raised from Bank of Russia under direct repo transactions and Bank of Russia Regulation No. 312-P. The maturity of these operations for the most part does not exceed 6 months. This decrease was offset by attracting customer funds for various periods and selling cash. The growth of the liquidity gap on periods of 6 months to 1 year is explained by the decline of loan debts along with the growth of clients' funds raised for this time period.

It is also worth noting that the liquidity gap at the horizon of more than 3 years has increased mostly due to the reduction of maturities for remaining loan debts.

9.5. Country Risk

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

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

To limit and manage the risks accepted by the Group in respect of certain countries, the Bank has developed a system of country risk limits.³⁶ These limits restrict the total concentration of transactions with counterparties from a certain country, including sovereign borrowers/issuers and public authorities.

Transfer risk is assessed and capitalized within the Bank's Internal Capital Adequacy Assessment Process, thus ensuring that sufficient financial resources are available to the Bank to cover possible losses in the realization of this risk.³⁷

Country concentration of the Bank's assets and liabilities

<i>RUB million</i>	<i>Jan 1, '16</i>				
	<i>Russia</i>	<i>CIS</i>	<i>Countries from the Group of developed countries³⁸</i>	<i>Other countries</i>	<i>Total</i>
Assets					
1. Cash and cash equivalents	732,790	—	—	—	732,790
2. Due from credit institutions in Bank of Russia	586,685	—	—	—	586,685
3. Due from credit institutions	7,356	514	328,626	19,489	355,985
4. Financial assets carried at fair value through profit or loss	176,417	19	21,254	208,288	405,978
5. Net loan debts	14,169,959	433,395	1,601,808	664,641	16,869,803
6. Net investments in securities and other financial assets available for sale	1,774,655	56,010	155,698	329,994	2,316,357
7. Net investments in securities held to maturity	410,977	5,119	20,376	436,472	366 474
8. Current profit tax claims	19,774	—	—	—	19,774

³⁶ Country Risk Limit Establishment Methodology No. 2224-3 dated October 15, 2013.

³⁷ Methodology for Calculating Economic Capital to Cover Losses on Transfer Risk No. 2563 dated June 29, 2012.

³⁸ The countries of the Group of developed countries include Australia, the Republic of Austria, the Grand Duchy of Luxembourg, the Hellenic Republic, Ireland, the Italian Republic, Canada, the Kingdom of Belgium, the Kingdom of Denmark, the Kingdom of Spain, the Kingdom of the Netherlands, the Kingdom of Norway, the Kingdom of Sweden, New Zealand, the Portuguese Republic, the United Kingdom of Great Britain and Northern Ireland, the United States of America, the Federal Republic of Germany, the Republic of Finland, the French Republic, the Swiss Confederation, and Japan.

<i>RUB million</i>	<i>Jan 1, '16</i>				
	<i>Russia</i>	<i>CIS</i>	<i>Countries from the Group of developed countries³⁸</i>	<i>Other countries</i>	<i>Total</i>
9. Deferred tax asset	—	—	—	—	—
10. Fixed assets, intangible assets, and inventories	477,344	—	—	11	477,355
11. Other assets	468,151	2,435	9,603	25,527	505,716
12. Total assets	18,824,108	497,492	2,137,365	1,247,950	22,706,916
Liabilities					
13. Loans, deposits, and other funds of Bank of Russia	768,989	—	—	—	768,989
14. Funds of credit institutions	393,702	20,091	144,112	60,459	618,364
15. Due to customers other than credit institutions	16,434,972	45,480	1,060,079	181,892	17,722,423
16. Financial liabilities carried at fair value through profit or loss	103,528	—	59,819	64,820	228,167
17. Issued debt liabilities	647,694	—	—	—	647,694
18. Current profit tax liability	5,404	—	—	—	5,404
19. Deferred tax liability	93,348	—	—	—	93,348
20. Other liabilities	215,849	381	22,007	18,331	256,567
21. Provisions for possible losses on contingent liabilities of credit nature and other losses	36,366	1,070	0	369	37,805
22. Total liabilities	18,699,852	67,022	1,286,017	325,871	20,378,763
Net position	124,256	430,470	851,348	922,079	2,328,153

<i>RUB million</i>	<i>Jan 1, '15</i>				
	<i>Russia</i>	<i>CIS</i>	<i>Countries from the Group of developed countries³⁸</i>	<i>Other countries</i>	<i>Total</i>
Assets					
1. Cash and cash equivalents	1,240,712	—	—	—	1,240,712
2. Due from credit institutions in Bank of Russia	369,676	—	—	—	369,676
3. Due from credit institutions	35,826	866	192,524	127,271	356,487
4. Financial assets carried at fair value through profit or loss	508,589	107	48,740	268,252	825,688
5. Net loan debts	13,505,010	322,150	910,970	1,151,249	15,889,379
6. Net investments in securities and other financial assets available for sale	1,456,626	46,883	115,211	126,770	1,745,490
7. Net investments in securities held to maturity	342,398	6,316	17,760	—	366,474
8. Current profit tax claims	67,058	—	—	—	67,058
9. Fixed assets, intangible assets, and inventories	478,598	—	—	14	478,612
10. Other assets	310,005	2,716	67,819	26,644	407,184
11. Total assets	18,314,498	379,038	1,353,024	1,700,200	21,746,760

RUB million

Jan 1, '15

	Russia	CIS	Countries from the Group of developed countries ³⁸	Other countries	Total
Liabilities					
12. Loans, deposits, and other funds of Bank of Russia	3,515,818	—	—	—	3,515,818
13. Due to credit institutions	299,725	52,206	343,563	99,362	794,856
14. Due to customers other than credit institutions	12,869,762	31,196	925,475	200,291	14,026,724
15. Financial liabilities carried at fair value through profit or loss	210,912	10	113,428	293,595	617,945
16. Issued debt obligations	513,402	—	—	—	513,402
17. Current profit tax liability	2	—	—	—	2
18. Deferred tax liability	42,891	—	—	—	42,891
19. Other liabilities	182,665	262	25,766	7,560	216,253
20. Provisions for possible losses on credit-related commitments and other losses	35,325	43	—	1,163	36,531
21. Total liabilities	17,670,502	83,717	1,408,232	601,971	19,764,422
Net position	643,996	295,321	-55,208	1,098,229	1,982,338

9.6. Financial Market Risks

This category includes the following types of risks:

- Interest risk for the debt securities portfolio of the trade book is the risk arising as a result of adverse changes in market rates.
- Stock risk of the trade book is the risk arising as a result of adverse changes in equity security quotations.
- Currency risk of the trade book is the risk arising as a result of adverse changes in foreign exchange rates and precious metals prices.
- Market credit spread risk is a risk of losses due to unfavorable changes in the market prices of financial instruments, the current fair value of which depends on the market appraisal of credit quality of a debt security issuer/transaction party (related name),³⁹ with deterioration of credit quality of the issuer/contractor, including their default.
- Volatility risk is a risk of losses or reduction of profit associated with changes of financial instrument base asset price volatility.

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

³⁹ An instrument profitability component reflecting the level of the issuer/contractor's credit risk.

Market Risk⁴⁰

Risk type	Risk level		Risk level	
	RUB billion		% of the capital	
	Jan 1, '16	Jan 1, '15	Jan 1, '16	Jan 1, '15
Market risk	96.6	47.6	3.61	2.11
On portfolio of debt securities	83.5	46.7	3.12	2.07
Stock market risk	0.0	1.0	0.00	0.04
Currency risk	13.2	2.8	0.49	0.12
Effect from diversification of investments	−0.1	−3.0	0.00	−0.13

The increase in market risk as of January 1, 2016, compared to January 1, 2015, is the result of an increase in volatility caused by a shift of the historical volatility window used in modeling possible scenarios of how the value of instruments in a portfolio may change. According to the procedure for market risk level assessment, such scenarios are modeled using a historical window corresponding to a two-year period prior to the date of calculation. In addition, the rise of market risk is attributed to an expanded range of financial instruments covered as part of the VaR calculation.

The absence of stock market risk is caused by the liquidation of stock positions in the trading book held on the balance sheet of Sberbank in accordance with the decision to approve the stock portfolio management strategy.

9.7. Interest Rate and Currency Risks of the Banking Book

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

The main objectives of managing these types of risk are:

- Minimizing potential losses from a realization of interest rate and currency risks
- Compliance with regulators' requirements
- Risk-return optimization

Interest Rate Risk in the Bank Book

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

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

⁴⁰ Calculated based on the Bank's total position on financial instruments, including the Bank Book position, and on the Bank's total open currency position.

Interest rate risk management in 2015. In 2015, the Group mitigated ruble interest rate risk by implementing a set of anticrisis measures established by the Bank. Starting in 2016, as part of its interest risk management, the Bank shall establish a target position for ruble interest risk compliance; to reach this target, indicators have been established related to the monitoring of the volumes and maturity structure of products, which is subject to regular discussion by the Assets and Liabilities Management Committee.

Interest rate risk assessment. To measure the interest rate risk, a standardized shock is used in accordance with the recommendations of the Basel Committee. Forecasting of possible changes in interest rates is carried out separately with respect to the ruble position and is aggregated by the currency position. Interest rate shock is calculated as the 1% and 99% quantiles of the distribution of the average interest rate change obtained by the method of historical simulations according to data for at least the last 5 years. As a base interest rate for the assessment of ruble interest rate shock, an indicative rate of ruble interest rate swaps for a period of 2 years (RUB IRS 2Y) is used, as well as the LIBOR 3M for the currency position.

The table below shows the impact of the growth and decline of interest rates on the Group's profit before tax on a 1-year horizon as of January 1, 2016, compared to January 1, 2015.⁴¹

	<i>Decline in interest rates</i>		<i>Growth of interest rates</i>	
	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
RUB				
Change in interest rates, b.p.	-411	-626	722	1,130
Change in profit before tax, RUB million	128,962	261,393	-226,514	-472,196
Turkish Lira				
Change in interest rates, b.p.	-402	-353	689	626
Change in profit before tax, RUB million	28,298	10,047	-48,459	-17,813
Other currencies				
Change in interest rates, b.p.	-36	-15	124	56
Change in profit before tax, RUB million	-3,198	-174	10,883	634

The change of the interest rate in the bank book in Russian rubles as of January 1, 2016, when compared to January 1, 2015, was mainly attributable to:

- A reduction in short-term borrowings from Bank of Russia
- An increase in the portfolio of individual funds
- A decrease in the volatility of interest rates in Russian rubles

The change in the interest rate risk in the banking book in the Turkish lira as of January 1, 2016, in relation to January 1, 2015, is largely driven by growing interest rates in the Turkish lira and an increase in the Denizbank Group balance.

Change in the interest rate risk of the banking book in other foreign currencies as of January 1, 2016, in relation to January 1, 2015, is largely driven by the following factors:

- Volatility growth in interest rates in US dollars
- Sberbank's termination of the raising of state funding in US dollars
- Reduction in maturity of the corporate loan portfolio

⁴¹ Data on the interest rate risk of the banking book in rubles is given with regard to Sberbank, which makes up most of the interest rate risk in the Group's banking book in rubles. In foreign currencies, data is given with regard to the Group as of the last available date (August 1, 2015).

Currency Risk of the Banking Book

The Bank is exposed to currency risk due to the availability of open currency positions (OCP). The main sources of the banking book OCP are: crediting and raising funds in foreign currency and income earned in foreign currencies. Currency risk is realized due to unfavorable changes in exchange rates.

The Bank undertakes daily aggregation of the Bank's OCP and manages the open currency position in the banking book to reduce the currency risk. The Bank uses spot settlement exchange transactions, forward contracts, and USD futures contracts traded on MICEX as the main instruments for risk management.

In 2014–2015, the Bank closed the currency positions of the bank book; consequently, the Bank did not suffer any losses due to a considerable weakening of the exchange rate of the Russian ruble compared to foreign currencies in accordance with the bank book's positions.

The OCP Cumulative Value Regarding the Banking and Trading Book⁴²

Currency	Jan 1, '16			Jan 1, '15		
	USD	EUR	CHF	USD	EUR	CHF
Amount of OCP, RUB million	73,190	11,175	9,928	–8,666	31,968	13,450
Amount of OCP, % of capital	2.77	0.42	0.38	0.82	1.41	0.59

9.8. Assets and Liabilities Broken down by Currencies

An analysis of the Bank's assets and liabilities broken down by currencies as of January 1, 2016, is provided below.

RUB million	RUB	US dollars	Euro	Other currencies	Total
Cash and cash equivalents	629,548	52,736	24,752	25,754	732,790
Due of credit institutions held with the Central Bank of the Russian Federation	586,533	73	80	—	586,685
Due from credit institutions before provisions	3,488	280,791	25,677	46,035	355,990
Provisions for possible losses					–6
Investments in securities carried at fair value through profit or loss	30,772	24,657	—	—	55,429
Loan debts prior to deduction of provisions for possible losses	12,154,510	4,957,919	608,218	159,976	17,880,623
Provisions for possible losses					–1,010,821
Investments in securities and other financial assets available for sale before provisions for possible losses	1,523,675	691,574	114,451	1,551	2,331,252
Provisions for possible losses					–14,895
Investments in securities held to maturity before provisions for possible losses	259,249	176,760	7,640	—	443,649
Provisions for possible losses					–7,177
Current profit tax claims	19,774	—	—	—	19,774
Fixed assets, intangible assets, and inventories	478,766	—	—	—	478,766
Provisions for possible losses					–1,411

⁴² The table cumulatively provides the 3 biggest OCP values regarding the banking and trading book as calculated in accordance with Bank of Russia Instruction No. 124-I.

<i>RUB million</i>	<i>RUB</i>	<i>US dollars</i>	<i>Euro</i>	<i>Other currencies</i>	<i>Total</i>
Other assets before provisions for possible losses	435,547	47,649	66,018	2,193	551,407
<i>Provisions for possible losses</i>					-45,651
Total assets before provisions for possible losses	16,121,862	6,232,160	846,836	235,508	23,436,366
<i>Provisions for possible losses</i>					-1,080,000
Loans, deposits, and other funds of the Central Bank of the Russian Federation	768,989	—	—	—	768,989
Due to credit institutions	323,780	180,546	93,920	20,118	618,364
Customer deposits	10,542,187	5,670,214	1,215,969	294,053	17,722,423
Debt securities in issue	610,390	33,391	3,913	—	647,694
Current profit tax liability	5,404	—	—	—	5,404
Deferred tax liability	93,348	—	—	—	93,348
Other liabilities	146,885	104,585	4,397	700	256,566
Total liabilities	12,490,984	5,988,736	1,318,199	314,870	20,112,790
<i>Provisions for possible losses from credit-related commitments, other possible losses and transactions with offshore residents</i>					37,805
Net position as to DFI carried at fair value	-266,274	-213,640	508,943	93,353	122,381

Analysis of the Bank's assets and liabilities broken down by currencies as of January 1, 2015, is provided below.

<i>RUB million</i>	<i>RUB</i>	<i>US dollars</i>	<i>Euro</i>	<i>Other currencies</i>	<i>Total</i>
Cash and cash equivalents	882,041	208,251	118,461	31,959	1,240,712
Due of credit institutions held with the Central Bank of the Russian Federation	301,209	56	68,411	—	369,676
Due from credit institutions before provisions	22,099	286,643	10,342	37,977	357,061
<i>Provisions for possible losses</i>					-574
Investments in securities carried at fair value through profit or loss	102,001	61,522	1,518	794	165,835
Loan debts prior to deduction of provisions for possible losses	12,143,444	4,025,994	416,998	104,146	16,690,582
<i>Provisions for possible losses</i>					-801,203
Investments in securities and other financial assets available for sale before provisions for possible losses	1,366,906	298,971	81,408	349	1,747,634
<i>Provisions for possible losses</i>					-2,144
Investments in securities held to maturity before provisions for possible losses	299,347	69,148	—	—	368,495
<i>Provisions for possible losses</i>					-2,144
Current profit tax claims	67,058	—	—	—	67,058
Fixed assets, intangible assets, and inventories	480,205	—	—	—	480,205
<i>Provisions for possible losses</i>					-1,594
Other assets before provisions for possible losses	267,915	127,689	37,597	2,672	435,873
<i>Provisions for possible losses</i>					-28,690
Total assets before provisions for possible losses	15,932,225	5,078,274	734,735	177,897	21,923,131
<i>Provisions for possible losses</i>					-836,225
Loans, deposits, and other funds of the Central Bank of the Russian Federation	3,149,504	366,314	—	—	3,515,818

<i>RUB million</i>	<i>RUB</i>	<i>US dollars</i>	<i>Euro</i>	<i>Other currencies</i>	<i>Total</i>
Due to credit institutions	209,583	465,248	104,524	15,501	794,856
Customer deposits	9,400,626	3,561,175	829,695	235,228	14,026,724
Debt securities in issue	496,946	12,047	4,409	—	513,402
Current profit tax liability	2	—	—	—	2
Deferred tax liability	42,891	—	—	—	42,891
Other liabilities	133,152	79,943	1,829	1,329	216,253
Total liabilities	13,432,704	4,484,727	940,457	252,058	19,109,946
<i>Provisions for possible losses from credit related commitments, other possible losses and transactions with offshore residents</i>					36,530
Net position as to DFI assessed at fair value	408,778	−636,240	168,385	100,986	41,909

9.9. Risk of Losses due to a Change of the Property Value

Risk of losses due to a change of immovable property value is a risk of losses due to unfavorable change of the cost of property owned by the Bank (for instance, own buildings or buildings obtained as a part of bankruptcy proceedings).

The key risk metrics characterizing the risk of loss due to a change of cost of the immovable property is economic capital. The main purpose of calculating the economic capital is to assess the potential amount of unexpected losses in the event of realization of a risk to define the proper level of available financial resources of the Bank providing coverage with a defined reliability level (confidence coefficient) at a 1-year horizon.

<i>RUB billion</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Real estate portfolio volume	359.6	350.0
<i>Growth rate of the real estate portfolio volume</i>	2.8%	
Nondiversified economic capital	67.5	53.3
Diversified economic capital	41.1	30.6
<i>Growth rate of the diversified economic capital</i>	34.3%	
<i>Share in the diversified economic capital</i>	1.9%	1.8%

The weight of this type of risk in the general structure of the Bank's economic capital remains stably low. Economic capital growth is caused by the current market situation (the decline of prices for real estate).

9.10. Legal Risk

Legal risk is the possibility of the Bank suffering financial losses, unplanned expenses or the possibility of a reduction in expected revenues as a result of:

- Inconsistency of internal regulatory documents, organizational and administrative documents of the Bank/Group member with the requirements of legislation, legal acts, and law enforcement practice
- Failure to take into account (ignoring) judicial and law enforcement practice

- Deficiencies of the legal system (contradictory laws, lack of legal norms on regulating certain issues arising in the activities of the Bank)
- Legal errors made in carrying out activities (incorrect legal advice or improper preparing of contracts or the Bank's internal documents)

The purpose of legal risk management as a constituent part of the Group's integrated risk management system is to ensure sustainable development of the Bank and Group members in implementing the development strategy approved by the Supervisory Board of the Bank and to ensure the compliance of the activities and products of the Bank/Group members with the requirements of the law and law enforcement practice.

The main factors/events that can reinforce the influence and scale of legal risk are:

- Changes in legislation, requirements of regulatory authorities, judicial and law enforcement practice
- Inconsistency of judicial and law enforcement practice and regulatory collisions
- Complication of financial instruments and strategies and/or the mastering of new products and technologies

To support decision making and to respond in a timely manner to changes in the level of legal risk, the Group shall provide timely and standardized reporting of facts of disposal of losses (damages) related to the realization of legal risk, the current level of legal risk, the legal risk management level, and the current status of measures for minimizing legal risk.

The level of legal risk is compared with the data for previous reporting periods; when there are significant deviations, the reasons for the sharp increase or decrease in the corresponding figure are analyzed, and proposals for amending the banking processes are prepared, if necessary.

In the second quarter, the Group members approved their Legal Risk Management Policies.⁴³ From the first quarter of 2015, on a quarterly basis, the Group members prepare and submit to the Legal Department their reports on legal risks and legal risk incidents for performing the analytics of legal risk events in the Group members and also at the level of the Group as a whole.

The Regulation for Legal Risk Management is being currently replicated among the Group members.

9.11. Compliance Risk

Compliance risk means the risk of legal sanctions or sanctions of regulators, significant financial loss or loss of reputation of the Bank or other Group member as a result of their noncompliance with laws, regulations, rules, standards of self-regulatory organizations, or codes of conduct and ethical norms of business.

The main directions of the activities of the Bank and the Group members in compliance risk management are:

- Prevention of misuse of authority and corruption actions of employees of the Bank and Group members
- Prevention and settlement of conflicts of interest arising in the course of performance by the Bank and Group members of their activities
- Counteracting money laundering and financing of terrorism

⁴³ Group members for which the legal risk was recognized as significant.

- Compliance with license requirements and other regulatory requirements related to financial markets
- Providing for market conduct and fair competition when performing transactions on financial markets, prevention of unscrupulous business practices on financial markets (use of insider information, price manipulation, etc.)
- Compliance with economic sanctions and restrictions established by the Russian Federation, as well as international organizations and certain countries
- Protection of the rights of clients, including as regards investment activities

In elaboration of the above directions, the Bank has developed and approved internal regulatory documents and introduced review procedures. Compliance control is organized systematically, involving all employees of the Bank and participants of the Group, and it is performed continuously.

Throughout 2015, the Bank was actively improving and automating the review procedures for compliance activities and adapting the best international practices of compliance control as well as bringing the compliance methodology of the Bank into conformity with new legislation and internal regulatory documents of the Bank. In particular, the IT service for monitoring controlled transactions, "Countering the Legalization of Proceeds and the Financing of Terrorism (Oracle FCCM)", was commissioned. As part of its training activities, in 2015, the Bank started mass training of its employees in conflict of interest management and anticorruption practices.

In 2015, the Code of Corporate Ethics of Sberbank Group was approved. It sets out unified rules of business ethics and business conduct for all companies of the Group. The Code applies to all employees of the Bank and the Group, regardless of their positions, as well as to members of the Bank's Supervisory Board.

9.12. Regulatory Risk

Regulatory risk means the risk of negative financial and other consequences arising for the Bank and Group if a competent authority exercises its right to develop a statutory regulation with the possibility of its adoption.

To create an effective process for managing regulatory risk, the Bank has adopted internal regulations governing this process and provided for the minimization of regulatory risk with respect to the key draft regulations of the Bank.

As part of the process of managing the regulatory risk, the Bank has regulated the activity of its officials and subdivisions with respect to prevention and reduction of the possibility of a regulatory risk. The Bank has organized a process of internal interaction at the time of preparing the proposals to create a comfortable legal environment for conducting business with the Bank and to minimize consequences of a regulatory risk revealed.

The Bank has a collegial advisory body – that is, a Working Group on improvement of legislative control and creation of a favorable legal environment to provide for implementation of the Development Strategy. A consolidated position of the Bank with respect to the regulatory initiatives and draft laws bearing regulatory risks is elaborated in the Working Group.

In 2015, the Bank worked on forming a consolidated position for key regulatory areas in accordance with the plan of regulatory initiatives.

9.13. Tax Risk

Tax risk is the uncertainty as to achievement of business goals as a result of the influence of factors associated with the taxation process that may appear as financial losses or any other adverse effects.

The level of potential tax risk is assessed at the time of performing the tax analysis of every transaction, operation, or product the Bank is planning to introduce and represents an appraisal of potential financial losses: tax in default, penalty, or fine. The method of tax risk management is selected based on an assessment of potential loss and tax risk acceptability.

As part of creating a single tax risk management system of the Group, the processes and procedures for tax risk identification, appraisal, and management procedures used in the Bank were systematized, formalized, and tested. In 2014, unified principles of the functioning of this System were introduced in the regional banks. Currently, they are gradually being extended to the Group members. Unified approaches to appraising the tax risks will help systematize the information on actual tax risks realized and evaluate the appropriateness of qualifying a tax risk as a risk with regard to which risk appetite and demand for the capital will be defined on an individual basis.

9.14. Operational Risk

Operational risk is the risk of losses for the Bank arising as a result of errors in the organization of the Bank's processes, employee error, or misuse by third parties, failures in operation of information systems, and due to external events.

As a part of managing operational risks, the Bank has introduced processes for collecting internal data on operational risk, self-assessment, and scenario analysis incidents. To monitor the level of operational risk, the Bank uses a system of reports for the management and the collegial bodies involved in risk management processes. Operational risk reporting is drawn up on a daily, monthly, and quarterly basis.

Data related to risk assessment and incurred losses allows identifying risk concentration zones for further development of measures to mitigate the Bank's operational risks. The implemented risk mitigation measures are systemic and focused on the improvement of existing processes and transaction technologies (the risk of employee errors while making transactions has been mitigated, and a number of risks related to credit card issuing, overdraft card issuing, and incorrect currency rates in the Bank's systems have been eliminated). The Bank regularly monitors measures implementation status and residual risks, both by business units and operational risk subdivisions, executives, and collegial bodies of the Bank management and Group members. The Bank is improving its awareness of risks, and the nondisclosure of completed incidents has reduced by almost three times.

The amount of damage from serious incidents of operational risk is regularly allocated among the Bank's subdivisions. Information on the damage is considered a part of the key performance indicators (KPI) of the members of the Executive Board, curators of the functional units of the Central Administrative Office, and the chairpersons of regional banks. In addition, the Bank maintains a rating of the internal structural business units according to the level of the operational risks in order to minimize risks.

The table below provides information on the amount of income for the purpose of calculating capital to cover operational risk.

<i>RUB million</i>	<i>Jan 1, '16</i>	<i>Jan 1, '15</i>
Net interest income	822,442	694,476
Net noninterest income	267,175	177,486
Income for the purpose of calculating capital to cover operational risk	1,089,617	871,962

9.15. Strategic Risk

Strategic risk is the risk of the Group incurring losses in more than 1 year's time as a result of errors made at the time decisions were made that determine the development strategy. The errors may involve insufficient consideration of the potential hazard for the Group's activity, incorrect defining of the prospective lines of business where the Group may achieve a competitive position, or in incomplete provisioning of the resources and administrative decisions that should provide for achievement of the strategic goals.

Business risk is defined as the risk of losses that may be incurred by the Group in up to 1 year's time due to changes in the external environment, including changes in the Group's earning capacity, for example, because of a drop in sales or increased operating expenses.

In November 2013, a Sberbank Development Strategy was approved for the period of up to 2018.⁴⁴ While developing the Strategy, possible scenarios for the development of the macroeconomic situation were analyzed, and a number of forecast scenarios for development of the Russian economy was elaborated, with the conditions for transition between them defined.

The Strategy landmarks are based on an in-depth study of socioeconomic and technological trends in Russia and worldwide, an analysis of the attractiveness of certain business areas, and an evaluation of compliance of the Bank's system with world standards.

Operationalization of the Strategy's objectives, analysis of the "gaps" between the current and target state, implementation of the initiatives related to their elimination, and clarification of the tasks in the short term takes place in each cycle of business planning implemented on the basis of a three-year rolling planning with annual updating. When developing a business plan, Sberbank pays special attention to the analysis of the Strategy implementation, to ensuring the attainment of the strategic objectives of the Group.

In general, despite the changes in the economic and geopolitical landscape, the key focus areas of development outlined in the Strategy as a priority require no changes.

In the current economic conditions, Sberbank identifies the following main factors that may impact on the implementation of the Strategy.

<i>Factors</i>	<i>Possible impact on Sberbank</i>	<i>Minimization measures</i>
State of the global economy and geopolitical risks	<ul style="list-style-type: none"> • The Group's financial result may differ from the strategic plans 	<ul style="list-style-type: none"> • Updating the forecasts for the development of economy and banking markets as well as the triggers for the transition between scenarios • Clarification of the initiatives aimed at eliminating "gaps" between the current situation and the Strategy objectives
Slowdown of key banking markets and deterioration of asset quality in the banking markets	<ul style="list-style-type: none"> • Reduced effectiveness of the Group's business • Increasing "bad" debt of the Group, reduced profitability 	<ul style="list-style-type: none"> • Recalendarization of a number of the initiatives in pursuit of the most urgent tasks aimed at providing for the Bank's activities during the crisis period (risk management, working with troubled assets, and development of Big Data)

⁴⁴ Hereinafter in this section referred to as the "Strategy".

Despite the complicated external conditions, the main qualitative KPIs set out in the Strategy are maintained. Implementation of the Strategy is supported by the organized processes of strategic and business planning, project activity management, and the executives' performance efficiency management system based on the above.

The range of key programs and projects implemented with a view to meeting the objectives of the Strategy is still considered relevant. Under new economic conditions Sberbank sees new opportunities for successful implementation of the Strategy through strengthening the technical component of a number of key initiatives:

- Strengthening of positions in the Russian market, increase in the level of customer trust and loyalty (through the knowledge about customers and feedback)
- Higher rates of restructuring of the sales system and management system with lower risks associated with scaling of transformations (individual price formation)
- Maintaining the potential for implementing strategic development projects at a time when competitors face problems with even supporting the current parameters of business
- Strengthening of technological leadership and improvement of reliability and availability of services for customers by accelerating market launch of new products and the system-based introduction of Big Data technologies
- Radical increase in the level of operating efficiency in each area of the Bank's operations through a more efficient cost management, risk and return ratio, and reduced level of operational risk
- Further modernization of the Group's management systems, qualitative improvement in managing services, processes and projects based on a customer-centric approach and ensuring cross-functional interaction
- Creation of a single integrated management information system allowing identifying and predicting the appearance of gaps and "bottlenecks" to ensure a preventive response to opportunities and deviations
- Developing and training the team: creation of new skills, development of competences, and introduction of a new corporate culture

On a regular basis, the Group and Group members evaluate the results of implementing the Development Strategy and attaining the business plan target indicators. The analysis of deviations between actual and target indicators, the forecast of the strategy and business plan fulfillment subject to newly discovered circumstances form, among other things, the basis for decisions on adjusting the strategy or business plan making it possible to reduce the potentially adverse effect from strategic and business risks.

9.16. Model Risk

Model risk arises from uncertainty/errors in models (including risk measurement, appraisal of the cost of securities and financial instruments, liquidity assessment), including the risk of model parameters changing over time.

The aim of assessing the level of model risk is to identify the models that need to be reworked. Once identified, the model is reworked and validated again.

The risk level indicators system depends on the type of risk and is described in separate methodologies.

Based on the results of 12 months of 2015, 174 models have been validated, 23 of which required improvement.

10. Information on Transactions with the Parties Related to the Bank

The Bank conducted related-party transactions on terms and conditions similar to those applied to operations (transactions) with other counterparties. Parties are considered to be related if one of them has the ability to control the other party, is under common control, or may exercise a significant influence over the other party in making financial or operational decisions.

Information is disclosed below about balances on significant transactions with related parties, which include transactions with Bank of Russia (the main shareholder of Sberbank), subsidiaries, and other related parties.

<i>RUB million</i>	<i>Jan 1, '16</i>		<i>Jan 1, '15</i>	
	<i>Bank of Russia</i>	<i>Other related parties</i>	<i>Bank of Russia</i>	<i>Other related parties</i>
Assets				
Required reserves on accounts with the Bank of Russia	118,363	—	142,522	—
Funds in Bank of Russia	468,322	—	227,154	—
Due from other banks	—	559,455	—	562,518
Provisions for impairment of loans to banks	—	29,676	—	1,594
Investments in securities, including	—	532,179	—	385,889
at fair value	—	—	—	50
available for sale	—	543,462	—	386,383
provisions for possible losses on securities	—	11,284	—	543
Loans and advances to customers before impairment provision, including	—	410,486	—	532,045
overdue loan debt	—	—	—	841
Provision for loan debt impairment	—	24,269	—	19,364
Liabilities				
Due to other banks	268,989	8,070	3,015,818	29,761
Due to individuals	—	7,879	—	5,795
Due to corporate customers	—	113,537	—	92,962
Subordinated loans raised	500,000	—	500,000	—
Off-balance				
Received guarantees	—	92,224	—	28,699
Guarantees provided	—	80,454	—	82,270
Property accepted as collateral	—	29,963	—	10,467
Securities accepted as collateral	—	2,492	—	—

The Bank had no material settlement commitments with related parties as of January 1, 2016, and January 1, 2015.

The information concerning material incomes and expenses over the operations with related parties is disclosed below.

<i>RUB million</i>	<i>2015</i>		<i>2014</i>	
	<i>Bank of Russia</i>	<i>Other related parties</i>	<i>Bank of Russia</i>	<i>Other related parties</i>
Interest income	125	62,785	218	43,464
Interest costs on subordinated loan	–32,801	—	–26,215	—
Interest costs, except interest costs on subordinated loan	–187,966	–8,553	–145,864	–5,690
Other incomes, less expenses	–1,071	–12,176	–1,288	–92,602
Operating expenses	–243	–560	–57	–142

During 2015 and 2014, the Bank did not write off significant amounts of uncollectible receivables from transactions with related parties.

In accordance with the legislative requirements of the Russian Federation, non–arm's-length transactions,⁴⁵ including transactions with related parties, are conducted according to a special procedure and are subject to approval before they are conducted by an authorized body of the Bank's Executive Board (the Supervisory Board and, in some cases, the General Shareholders' Meeting). In 2014, such transactions were approved by the Bank's Supervisory Board.

To reveal signs of interest, preliminary analysis of interest is performed concerning the members of executive bodies involved in the decision-making process. Interested parties are removed from discussing the transaction and from decision making on such transaction.

Approving a non–arm's-length transaction is subject to preliminary consideration by the collegial working bodies of the Bank (Committees) or by the Executive Board of the Bank that preliminarily approve the main terms of transactions and decide on submitting the transactions for subsequent approval by the Supervisory Board and, in cases stipulated by the legislation of the Russian Federation, by the General Meeting of Shareholders.

On a daily basis, the Bank enters into transactions with government agencies of the Russian Federation and companies controlled or significantly influenced by the government. The Bank provides government agencies and state-controlled companies with a full range of banking services, including (but not limited to) provision of loans and acceptance of deposits, issue of guarantees, securities sale/purchase transactions, and cash management services. These transactions are performed by the Bank on market conditions; the transactions with government agencies and state-controlled companies, though, constitute a small portion of all the Bank's transactions.

⁴⁵ Federal Law No. 208-FZ On Joint-Stock Companies.

The table below provides the balances under material operations with state agencies and state-controlled companies.

<i>Jan 1, '16</i>				
<i>Customer</i>	<i>Sector of the economy</i>	<i>Net loans receivable</i>	<i>Due to customers/ Due to banks</i>	<i>Guarantees in issue</i>
Customer 1	Energy	187,464	303,611	26,795
Customer 2	Oil and gas industry	241,511	139,108	11,130
Customer 3	Oil and gas industry	57,341	331,808	—
Customer 4	Machinery	195,604	95,406	55,010
Customer 5	Machinery	191,173	107,522	18,767
Customer 6	Energy	162,515	40,164	—
Customer 7	Machinery	84,324	84,344	22,436
Customer 8	Oil and gas industry	—	189,473	—
Customer 9	Machinery	40,470	44,622	94,687
Customer 10	Machinery	120,042	35,752	2,176
Customer 11	Machinery	1,459	24,620	87,858
Customer 12	Energy	66,752	31,017	—
Customer 13	Telecommunications	78,691	804	8,923
Customer 14	Banking	58,000	20,000	—
Customer 15	Others	72,607	3,526	—
Customer 16	Transport, aviation, and space industry	26,264	21,420	21,611
Customer 17	Machinery	65,389	221	—
Customer 18	Machinery	45,345	15,451	2,218
Customer 19	State and municipal agencies	53,257	—	—
Customer 20	State and municipal agencies	46,319	—	—

<i>Jan 1, '15</i>				
<i>Customer</i>	<i>Sector of the economy</i>	<i>Net loans receivable</i>	<i>Due to customers/ Due to banks</i>	<i>Guarantees in issue</i>
Customer 1	Energy	172,533	97,556	3,928
Customer 2	Oil and gas industry	130,060	133,878	25,456
Customer 3	Oil and gas industry	8,439	24,154	—
Customer 4	Machinery	172,026	51,406	37,222
Customer 5	Machinery	180,196	45,161	15,219
Customer 6	Energy	174,333	39,522	—
Customer 7	Machinery	94,186	33,553	25,779
Customer 8	Oil and gas industry	—	62,766	—
Customer 9	Machinery	42,488	10,620	109,813
Customer 10	Machinery	129,385	30,583	8,971
Customer 11	Machinery	5,806	19,420	20,694
Customer 12	Energy	51,247	47,597	117
Customer 13	Telecommunications	102,445	14,688	7,313
Customer 14	Banking	—	—	100,000
Customer 15	Others	67,064	6,892	3,313
Customer 16	Transport, aviation, and space industry	5,979	9,141	25,611

Jan 1, '15

<i>Customer</i>	<i>Sector of the economy</i>	<i>Net loans receivable</i>	<i>Due to customers/ Due to banks</i>	<i>Guarantees in issue</i>
Customer 17	Machinery	60,371	210	—
Customer 18	Machinery	62,492	14,811	—
Customer 19	State and municipal agencies	49 104	—	—
Customer 20	State and municipal agencies	35,819	—	—

Furthermore, as of January 1, 2016, the balances for transactions with state institutions and companies controlled by the Russian Federation include claims against the Deposit Insurance Agency worth RUB 73,212 million (RUB 17,129 as of January 1, 2015) which form the amount of loan receivable recognized as per calculations for operations for compensating deposits in banks whose licenses were revoked by Bank of Russia. These balances are included in other financial assets (see Note 5.8).

11. Information on Payments (Remuneration) to Management Personnel

The average number of Bank staff in 2015 was 265,878 (in 2014, 257,488).

The rules and procedures prescribed by the Bank's internal documents on labor remuneration are observed with respect to the Bank's managers and employees.

In accordance with Sberbank's Accounting Policy, the details on operations (transactions) with the key management personnel shall include information on transactions with persons who are members of the management and controlling bodies of the Bank. The following categories of positions shall be understood as managerial staff for the purposes of this report: CEO, Chairman of the Board, Members of the Executive Board, senior vice presidents of the Bank, chief accountant of the Bank and their deputies, members of the Audit Committee, heads of the control and internal audit service and audit, chairmen of the regional banks, and chief accountants of the regional banks.

The amount of payments accrued to the managerial staff in 2015 as short-term remuneration (without taking into account the second part of the remuneration for the working results of 2014 paid out in the year 2015, and the second part of the remuneration for the year 2013 paid out in the year 2014) was RUB 4.54 billion (for 2014, RUB 4.57 billion).

For the purposes of this report, the sum of short-term remuneration includes wages and social security contributions, payable annual leave, monthly and quarterly premiums, payments for business trips, noncash benefits (medical services, accident and health insurance, provision of accommodation and transport), remuneration based on the working results during a year (with regard to the year for which performance evaluation was made (i.e., in 2015, the part for the year 2014 paid out in 2015 is not accounted for)).

Over 2015, remuneration paid out to the managerial staff after their retirement (pensions and one-time retirement payments, retirement allowances in excess of the standards set by the Labor Code of the Russian Federation) amounted to RUB 3.43 million (for 2014, the payments amounted to RUB 2.33 million).

Since 2015 the Long-Term Remuneration Program has been in effect in the Bank. A part of remuneration (40% of variable remuneration) shall be deferred and paid within a three-year period. The amount of deferred remuneration depends on the change in the value of the Bank's shares and is subject to adjustment in the case of the realization of risks on the decisions made during the reporting year. Employees qualified as persons assuming risks by the decision of the Bank will become Program Participants. The program was developed as part of the formation of a system of risk-based remuneration using a risk accounting mechanism and fully complies with the requirements of Bank of Russia for the labor remuneration system of credit institutions.

During 2015, no long-term remunerations (under the long-term bonus payment system, long service bonuses, payments for long-term disability) were paid to the aforesaid categories of the managerial staff.

The number of managerial staff of the Bank in 2015 was 74 (in 2014, 72).

The share of the total amount of payments (remuneration) to the managerial staff in the total amount of remuneration to all employees of the Bank amounted to 1.53% in 2015 and 1.77% in 2014. The total amount of remuneration to the managerial staff did not change in 2015 compared to 2014 (decreased by 0.8%); however, the remuneration paid per 1 employee in the managerial staff category decreased by 3.5% against 2014.

12. Information on the Bank's Business Segments

For the purpose of management, the Bank is divided into operating segments—Central Head Office and 16 regional banks—which are defined on the basis of the Bank's organizational structure and geographic locations. Banking operations are the principal type of activity in all operating segments. For the purpose of presentation in these statements, the operating segments are aggregated in the following reporting segments:

- Moscow, including:
 - ✓ Central Head Office of the Group
 - ✓ Regional Bank of Moscow
- Central and Northern Regions of the European part of Russia, including:
 - ✓ Severny Regional Bank (Yaroslavl)
 - ✓ Severo-Zapadny Regional Bank (Saint Petersburg)
 - ✓ Tsentralno-Chernozemny Regional Bank (Voronezh)
 - ✓ Srednerussky Regional Bank (Moscow)
- Volga Region and South of European part of Russia, including:
 - ✓ Volgo-Vyatsky Regional Bank (Nizhniy Novgorod)
 - ✓ Povolzhsky Regional Bank (Samara)
 - ✓ Severo-Kavkazsky Regional Bank (Stavropol)
 - ✓ Yugo-Zapadny Regional Bank (Rostov-on-Don)
- Urals, Siberia, and Far East of Russia, including:
 - ✓ Zapadno-Uralsky Regional Bank (Perm)
 - ✓ Uralsky Regional Bank (Yekaterinburg)
 - ✓ Sibirsky Regional Bank (Novosibirsk)
 - ✓ Zapadno-Sibirsky Regional Bank (Tyumen)
 - ✓ Dalnevostochny Regional Bank (Khabarovsk)
 - ✓ Vostochno-Sibirsky Regional Bank (Krasnoyarsk)
 - ✓ Baikalsky Regional Bank (Irkutsk)
- Other countries, including:
 - ✓ Branch located in India

The Bank's Management analyzes the operating results of every segment of activity to make decisions on allocating resources and to assess their performance. The segments' reporting and performance results provided to the management for analysis are compiled in accordance with Russian accounting standards.

Intersegment operations are performed on the basis of internal transfer pricing rates which are established, approved, and regularly revised by the Bank's management.

The table below contains information on the allocation of the Bank's assets and liabilities broken down by segments as of January 1, 2016.

	<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South of the European part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
I	ASSETS						
1	Cash and cash equivalents	163,245	186,358	171,400	211,785	2	732,790
2	Due of credit institutions held with the Central Bank of the Russian Federation	583,780	88	280	2,537	—	586,685
2.1	Obligatory reserves	118,363	—	—	—	—	118,363
3	Funds held by credit institutions	355,758	1	—	124	103	355,985
4	Financial assets carried at fair value through profit or loss	405,978	—	—	—	—	405,978
5	Net loans receivable	8,141,210	2,865,967	2,390,102	3,469,086	3,438	16,869,803
6	Net investments in securities and other financial assets available for sale	2,315,954	—	—	—	403	2,316,357
6.1	Investments in subsidiaries and dependent entities	536,732	—	—	—	—	536,732
7	Net investments in securities held to maturity	436,472	—	—	—	—	436,472
8	Current profit tax claims	19,760	5	4	5	—	19,774
9	Deferred tax asset	—	—	—	—	—	—
10	Fixed assets, intangible assets, and inventories	161,387	93,816	90,030	132,112	11	477,355
11	Other assets	274,809	93,691	70,425	66,742	49	505,716
	Interbranch settlements	3,286,374	1,144,448	266,496	287,410	—	4,984,728
12	Total assets	12,858,353	3,239,926	2,722,241	3,882,391	4,006	22,706,916
II	LIABILITIES						
13	Loans, deposits, and other funds of the Central Bank of the Russian Federation	768,989	—	—	—	—	768,989
14	Due to credit institutions	576,742	8,954	13,899	17,672	1,098	618,364
15	Due to customers other than credit institutions	7,832,036	3,847,806	2,584,462	3,457,358	761	17,722,423
15.1	Due to individuals	3,102,362	2,808,355	1,970,153	2,340,402	12	10,221,285
16	Financial liabilities carried at fair value through profit or loss	228,167	—	—	—	—	228,167
17	Debt securities in issue	138,401	184,005	114,716	210,572	—	647,694
18	Current profit tax liability	5,404	—	—	—	—	5,404
19	Deferred tax liability	93,348	—	—	—	—	93,348
20	Other liabilities	180,458	29,901	18,749	27,440	19	256,567
	Interbranch settlements	4,888,175	—	37,027	57,084	2,443	4,984,728
21	Provisions for possible losses from credit related commitments, other possible losses and transactions with offshore residents	16,637	8,574	4,960	7,634	0	37,805
22	Total liabilities	9,840,184	4,079,240	2,736,786	3,720,675	1,878	20,378,763

The table below contains information on allocation of the Bank's assets and liabilities broken down by segments as of January 1, 2015.

	<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South of the European part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
I	ASSETS						
1	Cash and cash equivalents	412,632	295,834	231,570	300,675	1	1,240,712
2	Due of credit institutions held with the Central Bank of the Russian Federation	360,411	23	284	8,958	—	369,676
2.1	Obligatory reserves	142,522	—	—	—	—	142,522
3	Funds held by credit institutions	356,205	1	—	244	37	356,487
4	Financial assets carried at fair value through profit or loss	825,688	—	—	—	—	825,688
5	Net loans receivable	7,108,978	2,905,150	2,402,558	3,469,672	3,021	15,889,379
6	Net investments in securities and other financial assets available for sale	1,745,141	—	—	—	349	1,745,490
6.1	Investments in subsidiaries and dependent entities	385,839	—	—	—	—	385,839
7	Net investments in securities held to maturity	366,474	—	—	—	—	366,474
8	Current profit tax claims	67,058	—	—	—	—	67,058
9	Deferred tax asset	—	—	—	—	—	—
10	Fixed assets, intangible assets, and inventories	143,646	100,510	95,771	138,671	14	478,612
11	Other assets	290,885	50,198	22,213	43,839	49	407,184
	Interbranch settlements	2,332,840	404,290	—	87,159	—	2,824,289
12	Total assets	11,677,118	3,351,716	2,752,396	3,962,059	3,471	21,746,760
II	LIABILITIES						
13	Loans, deposits, and other funds of the Central Bank of the Russian Federation	2,901,889	176,400	155,600	281,929	—	3,515,818
14	Due to credit institutions	763,265	17,862	5,100	7,610	1,019	794,856
15	Due to customers other than credit institutions	6,220,444	3,007,505	2,109,086	2,689,012	677	14,026,724
15.1	Due to individuals	2,225,628	2,238,930	1,604,716	1,929,774	4	7,999,052
16	Financial liabilities carried at fair value through profit or loss	617,945	—	—	—	—	617,945
17	Debt securities in issue	105,664	163,810	85,462	158,466	—	513,402
18	Current profit tax liability	2	—	—	—	—	2
19	Deferred tax liability	42,891	—	—	—	—	42,891
20	Other liabilities	160,278	21,177	15,281	19,504	13	216,253
	Interbranch settlements	2,187,277	4,712	120,473	510,065	1,762	2,824,289
21	Provisions for possible losses from credit related commitments, other possible losses and transactions with offshore residents	13,981	6,047	4,178	12,325	—	36,531
22	Total liabilities	10,826,359	3,392,801	2,374,707	3,168,846	1,709	19,764,422

The table below provides segment information regarding the allocation of the Bank's income and expenses for 2014.

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South of the European part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
1 Total interest income, including	796,551	375,897	333,042	493,141	397	1,999,028
1.1 From funds deposited with credit institutions	42,895	2,203	199	0	2	45,299
1.2 From loans granted to customers other than credit institutions	623,292	373,679	332,843	493,141	374	1,823,329
1.3 From provision of services related to financial leasing (leasing)	—	—	—	—	—	—
1.4 From investments in securities	130,364	15	—	—	21	130,400
2 Total interest expenses, including	560,176	218,082	153,004	201,011	98	1,132,370
2.1 On deposits from credit institutions	159,724	24,698	26,327	35,796	56	246,601
2.2 On deposits from customers other than credit institutions	389,871	176,996	116,818	147,270	41	830,996
2.3 On debt obligations in issue	10,581	16,388	9,858	17,945	—	54,773
3 Net interest income (negative interest margin)	236,376	157,815	180,038	292,130	299	866,658
4 Changes in the provisions for possible losses from loans, loan and equivalent debt, funds in:	–96,482	–33,712	–44,700	–83,765	–208	–258,867
4.1 Change in the provision for possible losses on interest income accrued	–1,152	–905	–1,288	–2,021	–2	–5,996
5 Net interest income (negative interest margin) less provisions for possible losses	139,894	124,103	135,338	208,365	91	607,791
6 Net income from operations with financial assets carried at fair value through profit or loss	–12,680	—	—	4	—	–12,676
7 Net income from operations with securities available for sale	–3,541	—	—	—	–0	–3,789
8 Net income from operations with securities held to maturity	–1	—	—	—	0	–1
9 Net income from foreign currency operations	77,069	5,236	4,432	4,605	–64	91,277
10 Net income from revaluation of foreign currency	–13,566	1,319	981	4,804	–113	–6,152
11 Income from other equity participation	3,508	—	—	—	—	3,508
12 Fee and Commission income	90,243	64,667	54,226	88,551	14	297,701
13 Fee and Commission expenses	29,529	952	483	796	0	31,760
14 Changes in the provisions for possible losses from securities available for sale	1,534	—	—	—	—	1,534

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South of the European part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
15 Changes in the provisions for possible losses from securities held to maturity	-5,156	—	—	—	—	-5,156
16 Changes in the provisions for other losses	-21,760	-4,372	-3,198	-2,021	-0	-31,109
17 Other operating income	6,191	3,926	2,948	3,844	-836	16,073
18 Net income (expenses)	232,629	193,927	194,055	307,005	-910	926,706
19 Operating expenses	249,901	123,593	104,013	142,995	-697	619,806
20 Profit (loss) before taxation	-17,272	70,334	90,042	164,010	-213	306,900
21 Tax compensation (expenses)	72,052	5,661	4,890	5,807	103	88,513
22 Profit (loss) after taxation	-89,324	64,673	85,152	158,203	-316	218,387
24 Unused profit (loss) for the reporting period	-89,324	64,673	85,152	158,203	-316	218,387

The table below provides segment information regarding the allocation of the Bank's income and expenses for 2014.

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South of the European part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
1 Total interest income, including	630,877	319,414	287,842	423,458	294	1,661,885
1.1 From funds deposited with credit institutions	30,344	1,292	198	—	2	31,836
1.2 From loans granted to customers other than credit institutions	471,311	318,109	287,644	423,458	274	1,500,796
1.3 From provision of services related to financial leasing (leasing)	—	—	—	—	—	—
1.4 From investments in securities	129,222	14	—	—	18	129,254
2 Total interest expenses, including	388,387	120,966	84,383	108,334	91	702,161
2.1 On deposits from credit institutions	163,156	7,333	6,326	12,236	61	189,112
2.2 On deposits from customers other than credit institutions	219,675	105,462	73,611	88,272	30	487,050
2.3 On debt obligations in issue	5,556	8,171	4,446	7,826	—	25,999
3 Net interest income (negative interest margin)	242,490	198,448	203,459	315,124	203	959,724
4 Changes in the provisions for possible losses from loans, loan and equivalent debt, funds in:	-137,731	-21,612	-22,212	-97,578	-49	-279,570
4.1 Change in the provision for possible losses on interest income accrued	224	-473	-424	-1,288	-3	-2,403
5 Net interest income (negative interest margin) less provisions for possible losses	104,759	176,836	180,859	217,546	154	680,154

<i>RUB million</i>	<i>Moscow</i>	<i>Central and Northern regions of the European part of Russia</i>	<i>Povolzhye and South of the European part of Russia</i>	<i>Urals, Siberia and Far East of Russia</i>	<i>Other countries</i>	<i>Total</i>
6 Net income from operations with financial assets carried at fair value through profit or loss	-64,381	—	—	—	—	-64,381
7 Net income from operations with securities available for sale	-12,662	—	—	—	—	-12,662
8 Net income from operations with securities held to maturity	-1	—	—	—	—	-1
9 Net income from foreign currency operations	-12,764	9,112	5,330	-3,198	40	-1,288
10 Net income from revaluation of foreign currency	162,747	-192	506	9,737	-96	172,702
11 Income from other equity participation	5,332	—	—	—	—	5,332
12 Fee and Commission income	72,397	55,223	45,751	67,728	15	241,114
13 Fee and Commission expenses	21,751	743	548	897	—	23,939
14 Changes in the provisions for possible losses from securities available for sale	78	—	—	—	—	78
15 Changes in the provisions for possible losses from securities held to maturity	238	—	—	—	—	238
16 Changes in the provisions for other losses	643	-2,021	-1,288	-8,363	—	-11,518
17 Other operating income	32,447	3,212	2,799	3,769	—	42,227
18 Net income (expenses)	267,083	241,191	233,157	286,329	113	1,027,873
19 Operating expenses	239,193	117,429	99,993	141,948	103	598,666
20 Profit (loss) before taxation	27,890	123,762	133,164	144,380	10	429,206
21 Tax compensation (expenses)	96,724	5,983	6,845	8,432	9	117,993
22 Profit (loss) after taxation	-68,834	117,779	126,319	135,948	1	311,213
24 Unused profit (loss) for the reporting period	-68,834	117,779	126,319	135,948	1	311,213

In 2015 and 2014, there was no external customer or counterparty entering into transactions with proceeds exceeding 10% of the Bank's gross proceeds.

During 2014, there were no significant events having an impact on the Bank's financial position or performance to be disclosed in the explanatory information to the annual statements in accordance with applicable laws of the Russian Federation.

CEO, Chairman of the Board of Sberbank

H. O. Gref _____
(Full Name)

(Signature)

Senior managing director, chief accountant – Director of the Accounting Department, Sberbank

L.S.

M. Yu. Lukyanova _____
(Full Name)

(Signature)

March 30, 2016

Report of the Audit Commission on results of inspection of the business activities of Sberbank in 2015

Report of the Audit Commission on results of inspection of the business activities of Sberbank in 2015

To Shareholders,
The Supervisory Board,
The Executive Board

REPORT

The Audit Commission has audited the main business areas of Sberbank of Russia (hereinafter - the Bank), examined the results of business activities in 2015 reflected in the annual accounting (financial) report of the Bank (hereinafter - the annual report).

The annual report of the Bank for 2015 is made in accordance with the securities legislation of the Russian Federation and the requirements of the Bank of Russia and includes the following indicators.

Assets of the Bank for the fiscal year grew by 4% and reached 22,707 billion rubles as of 01.01.2016.

Net income after tax amounted to 218.4 billion rubles in 2015, which is 30% less than the same indicator in 2014.

Capital gain amounted to 15%. As of 01.01.2016, capital of the Bank reached 2,658 billion rubles. Actual value of the capital adequacy ratio of the Bank (N1) was 11,9%, with the minimum required value of 10,0%.

The business activities of the Bank for 2015 have been audited in accordance with the work plan of the Audit Commission. In particular, the Audit Commission has examined the following issues:

- accounting policy in 2015 and its compliance with the acting legislation and standards of the Bank of Russia;
- auditing of correctness of making and using profits;
- auditing of transactions with securities issued by of third parties;
- auditing of the status of the credit portfolio of the Bank;
- auditing of business with subsidiaries and affiliates;
- auditing of accounts receivable;
- auditing of making and utilizing the budget of costs, capital investments, purchase of fixed assets;
- risk management;
- efficiency of internal audit system.

Inspection was selective based on the internal documents regulating the aforementioned activities and primary accounting documents and registers received from the Bank.

During the inspection, the internal audit and risk management system of the Bank was analyzed. The Bank has a complete internal audit system that monitors all business areas and supports the scale of nature of all operations. Overall, the internal audit system of the Bank complies with the requirements of the Bank of Russia.

In the areas of activity of the Bank in 2015 inspected, the Bank complied with the requirements of the law, statutory acts of the Bank of Russia, and the regulations of the Bank.

The Audit Commission performing its functions within the scope of its authority didn't find any violations, errors or drawbacks in the activity of the Bank that would be a threat to the interests of shareholders, creditors, and depositors.

Judging by the materials and documents analyzed during the inspection, the Audit Commission's opinion is that the financial and business performance of the Bank in 2015 reflected in the annual report of the Bank may be presented to the Annual General Meeting for review and approval.

The results of the inspections of the Auditing Commission are submitted to the attention of Chairman of the Supervisory Board of Sberbank, Advisor to the Chairman of the Bank of Russia, Mr. Sergey Ignatiev, the Audit Committee of the Supervisory Board, and the top-management of the Bank.

Chairman of the Audit Commission – First Deputy Director of the Internal Auditing Department of the Bank of Russia	G. Golubenkova
Members of the Audit Commission:	
Senior Managing Director – Director of Integrated Risk Management Department of Sberbank	N. Revina
Deputy Chief Accountant of the Bank of Russia – Deputy Director of Accounting and Reporting Department of the Bank of Russia	V. Volkov
Managing Director, Deputy Chief Accountant – Deputy Director of Accounting and Reporting Department of Sberbank	A. Minenko
Deputy Director of Internal Auditing Department of the Bank of Russia	N. Borodina
Senior Managing Director – Head of Financial Control Division, Finance Department, Sberbank	Y. Isahanova
Head of Interaction with External Controlling Authorities Section, Internal Audit Division, Sberbank	T. Domanskaya

Item No. 3

Distribution of Profits and Payment of Dividends for 2015

Draft Resolution on the Item.

Distribution of Profits and Payment of Dividends for 2015.

1. To approve the recommended by the Supervisory Board of Sberbank the following distribution of 2015 net profit after tax of Sberbank in the amount of RUB 218,387,307,230.74: to distribute RUB 44,496,287,560.00 as dividends, to hold the profit in the amount of RUB 173,891,019,670.74 as retained earnings of Sberbank.
2. To pay dividends for 2015 on ordinary shares in the amount of RUB 1.97 per share and on preference shares – RUB 1.97 per share.
3. To establish the close of business day on June 14, 2016, as the record date for determining the holders entitled to receive the dividends.

Clarifying information on the item

In accordance with Federal Law No. 208-FZ dated December 26, 1995 On Joint Stock Companies, the Bank is required to include an item related to profit distribution (including payment (declaration) of dividends) for the reporting year and the date when the persons eligible for dividends are determined in the agenda of the Annual General Shareholders Meeting.

Such decisions are made by the Shareholders Meeting upon the recommendation of the Bank's Supervisory Board.

The Bank's Supervisory Board on the meeting on April 12, 2016 addressed the matters of profit distribution and recommendations on the amount of dividends payable for 2015 and the date when the persons eligible for dividends are defined and resolved as follows:

With regard to profit distribution and the amount of dividends payable:

- To grant preliminary approval to profit distribution and to determine that profit not applied to dividend payment for 2015 shall be retained as retained earnings of Sberbank.
- To propose the following resolution for approval by the Annual General Shareholders Meeting:
 - To approve the recommended by the Supervisory Board of Sberbank the following distribution of 2015 net profit after tax of Sberbank in the amount of RUB 218,387,307,230.74: to distribute RUB 44,496,287,560.00 as dividends, to hold the profit in the amount of RUB 173,891,019,670.74 as retained earnings of Sberbank;
 - To pay dividends for 2015 on ordinary shares in the amount of RUB 1.97 per share and on preference shares – RUB 1.97 per share.

With regard to the date when persons eligible for dividends will be determined:

To grant preliminary approval of the following resolution and submit it for approval by the Annual General Shareholders Meeting: "To establish the close of business day on June 14, 2016, as the record date for determining the holders entitled to receive the dividends".

The source of annual dividends is the Bank's profit after tax (net profit) determined under the accounting (financial) statement of the Bank made in accordance with the laws of the Russian Federation.

From January 1 to December 31, 2015, the Bank's net profit (under RAS) was RUB 218.4 billion, down 29.8% from 2014 profit.

In accordance with the Bank Regulations on Dividend Policy, the Supervisory Board shall consider the following in giving recommendations to the Annual General Shareholders Meeting on the amount of dividends payable on the Bank's shares:

- the availability and amount of net profit determined under the consolidated financial statement of the Bank under International Financial Reporting Standards (IFRS) for the relevant period;
- the Bank's need for capital for business development and implementation of the Development Strategy with regard to dividend payment for compliance with the current and expected requirements of the applicable laws of the Russian Federation and the Bank of Russia, local regulators in the countries of presence and Basel Committee recommendations;
- maintaining the balance of the interests of the Bank and its shareholders with due regard for the need to increase investment attractiveness and to observe shareholders' rights.

The current capital adequacy forecast and changing external and internal factors affecting capital adequacy lead to the conclusion that dividends may be paid at the target level of 20% of net profit determined on the basis of the consolidated financial statement of the Bank under IFRS. Payments will come to RUB 44.5 billion in absolute figures.

The Bank's retained earnings for funding capital expenditures and other purposes come to RUB 173.9 billion, which allows the Bank (given the funds accumulated in the previous years) to provide sources of financing to costs planned for 2016 with consideration for the implementation of measures as part of Sberbank's Development Strategy up to 2018.

The due dates of dividends payable to the Bank's shareholders depend on the date when the persons eligible for dividends are defined.

Such date may be established no earlier than 10 days from the date when the Annual General Shareholders Meeting decides on dividend payment and no later than 20 days from the date of such decision. Thus, it is proposed that June 14, 2016 be defined as the date for determining the persons entitled to receive dividends.

The date for payment of dividends to a nominee or trust manager registered in the shareholders' register shall not exceed 10 business days from the date when the persons eligible for dividends are determined.

Payment of dividends to eligible persons registered in the shareholders' register shall be made no later than 25 business days from the date when the persons eligible for dividends are determined.

Item No. 4

Appointment of an Audit Organization

Draft Resolution on the Item.

Appoint the audit organization JSC "PricewaterhouseCoopers Audit" as the auditor for the year 2016 and the first quarter of the year 2017.

Clarifying information on the item

In accordance with Federal Law No. 208-FZ, dated December 26, 1995, On Joint Stock Companies, the Bank is required to include an item related to the approval of an auditor in the agenda of the Annual General Shareholders Meeting.

The Bank conducts an annual open tender to select the auditor authorized to audit the Bank. The tender documents for the holding of an open tender to select the auditor shall be approved by the Bank's Tender Commission for Procurement of Goods, Work and Services and shall be published on the Bank's official website (www.sberbank.ru) and the official website of the Russian Federation (www.zakupki.gov.ru).

In 2016, the winner of the open tender was the audit firm PricewaterhouseCoopers Audit JSC, whose tender proposal was deemed the best one.

Information on nominated auditor.

Joint-Stock Company PricewaterhouseCoopers Audit is a member of Self-regulatory organization of auditors: Non-commercial partnership "Audit Chamber of Russia" (ACR).

On December 21, 2009, Joint-Stock Company PricewaterhouseCoopers Audit was included in the register of auditors and auditing organizations of ACR under the main registration number (ORNZ) 10201003683.

The PricewaterhouseCoopers network is one of the world's four leaders of the audit services market. It is an international organization with 756 offices in 157 countries.

The audit firm selected in the open tender is approved by the Executive Board, the Audit Committee of the Supervisory Board and the Supervisory Board. The auditor's fee is defined in accordance with the open tender procedures (information on bidders' proposals is posted on the Bank's website) and approved by the Supervisory Board.

The auditor will conduct the audit in accordance with the laws of the Russian Federation and international audit standards.

At the meeting of 12 April 2016, the Supervisory Board addressed the matter of the appointment of the audit firm of Sberbank and resolved as follows:

1. To agree with the proposal of Sberbank's Executive Board and the recommendation of the Audit Committee of the Supervisory Board and recommend that the Annual General Shareholders Meeting resolve to appoint PricewaterhouseCoopers Audit JSC as Sberbank's auditor for 2016 and the 1st quarter of 2017.
2. To determine the fee for the audit services of PricewaterhouseCoopers Audit JSC in the amount of RUB 52,500,000 (including VAT and out-of-pocket costs) for auditing Sberbank in 2016 and the 1st quarter of 2017.

Item № 5

Election of Members of the Supervisory Board

Draft Resolution on the Item:

Elect the following members to the Supervisory Board:

1.	Esko Tapani Aho	Chairman of the Board of Directors of East Office of Finnish Industries (Independent Director)
2.	Martin Grant Gilman	Advisor to the Rector of the National Research University of Higher School of Economics (Independent Director)
3.	Herman Gref	CEO, Chairman of the Executive Board of Sberbank
4.	Nadezhda Ivanova	Deputy Chairman of the Central Bank of the Russian Federation – Director of the Consolidated Economic Department
5.	Sergey Ignatiev	Advisor to the Chairman of Central Bank of the Russian Federation
6.	Alexei Kudrin	Dean of the Liberal Arts and Sciences Department at St. Petersburg State University
7.	Georgy Luntovskiy	First Deputy Chairman of the Central Bank of the Russian Federation
8.	Vladimir Mau	Rector of the Russian Presidential Academy of National Economy and Public Administration (Independent Director)
9.	Gennady Melikyan	Economist Emeritus of the Russian Federation (an independent director)
10.	Alessandro Profumo	Chairman of the Board of Directors of Equita Sim S.p.a. (Italy), former CEO of Unicredit Group and ex-Chairman of Banca Monte dei Paschi di Siena (Independent Director)
11.	Anton Siluanov	Minister of Finance of the Russian Federation
12.	Sergei Sineelnikov-Murylev	Rector of the Russian Foreign Trade Academy of the Ministry for Economic Development of the Russian Federation (Independent Director)
13.	Dmitry Tulin	First Deputy Chairman of the Central Bank of the Russian Federation
14.	Nadia Wells	Investment and Corporate Governance Consultant (Independent Director)
15.	Sergey Shvetsov	First Deputy Chairman of the Central Bank of the Russian Federation

Clarifying information on the item

In accordance with Federal Law No. 208-FZ, dated December 26, 1995, On Joint Stock Companies, the Annual General Shareholders Meeting is required to address the matter of electing members of the Supervisory Board of the Bank.

According to item 9.10 of the Charter of the Bank, the shareholders (shareholder) with total ownership of not less than 2% of the voting shares are entitled to propose candidates to the Supervisory Board no later than 75 days after the end of the reporting year (on or before March 15, 2016).

For election to the Supervisory Board of the Bank, the shareholders proposed 15 candidates, 14 of whom are members of the existing Supervisory Board.

Candidates for the Supervisory Board of the Bank shall have an impeccable business and personal reputation and the professional knowledge, skills, and experience required to make decisions falling in the competences of the Supervisory Board. Independent directors shall make up at least one third of the membership of the Supervisory Board of the Bank.

The HR and Remuneration Committee of the Supervisory Board assessed the proposed candidates for the Supervisory Board for their compliance with professional qualifications, experience and independence.

The assessment is based on the following standards:

- Federal Law "On Banks and Banking" (compliance with the requirements for business reputation of the candidates);
- Moscow Exchange Listing Rules regarding independent directors for the Bank's shares to be in the top quotation list.

The Bank also assessed the conformity of the candidates to the independence criteria of the UK CG Code (as ADRs are listed on London and Frankfurt Stock Exchanges).

The HR and Remuneration Committee of the Supervisory Board, upon assessment of the candidates for the Bank's Supervisory Board:

- recommended the Supervisory Board to include the candidates proposed by the shareholders in the list of candidates for election to the Supervisory Board during the Annual General Shareholders Meeting of Sberbank;
- recognized 7 candidates as conforming to the status of independent directors, as they have a generally acknowledged reputation that testifies to the fact that they can have an independent position. The formal criteria of the association of Vladimir Mau and Sergei Sinelnikov-Murylev with the state through the procedure for appointment to the position of rectors of higher education institutions, as well as the association of Vladimir Mau with the Bank as a member of the Supervisory Board for more than 7 years, have no effect on the ability of such persons to make independent, objective decisions in good faith.

At the meeting of March 17, 2016 the Supervisory Board reviewed the shareholders' proposals of candidates for election to the Supervisory Board at the Annual General Shareholders Meeting of Sberbank for 2015 and, with due regard for the opinion of the Personnel and Remuneration Committee of the Supervisory Board, decided to include the candidates proposed by the shareholders in the list of candidates for election to the Supervisory Board.

The Annual General Shareholders Meeting of the Bank is proposed to vote for the candidates included in the candidate list for elections to the relevant Bank body.

The fourteen candidates that receive the most votes shall be considered elected to the Supervisory Board of the Bank.

List of Candidates for Sberbank Supervisory Board

1. Esko Tapani Aho (Independent Director)



At present:

Chairman of the Board of East Office of Finnish Industries

Date of Birth: May 20, 1954

Place of birth: Veteli, Finland

Citizenship: Finland

E. T. Aho was nominated to the Supervisory Board by a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1980 – Helsinki University, Master in social science

Work experience for the last five years:

From January 2009 to August 2012 – member of the Executive Board of Nokia Corporation

Since April 2013 till present – Chairman of the Board of East Office of Finnish Industries

Membership in management bodies of other legal entities:

Chairman of the Board of Verbatim

Candidate:

- owns no shares of the Bank;
- has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

2. Martin Grant Gilman (Independent Director)



At present:

- Advisor to the Rector of National Research University Higher School of Economics
- Member of Sberbank Board, Member of the Strategic Planning Committee, Member of the Risk Management Committee

Date of Birth: August 11, 1948

Place of birth: Memphis, USA

Citizenship: United States of America

M. G. Gilman was nominated to the Supervisory Board by a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1970: University of Pennsylvania, Bachelor of Science (BS) in Economics (Wharton School), Bachelor of Arts (BA) in Political Science (College of Liberal Arts)

1971: Certificate of International Studies at the School of International Studies at Johns Hopkins University in Bologna

1972: London School of Economics, MSc (Econ)

1981: London School of Economics, PhD in Economics

Work experience for the last five years:

From September 2005 to April 2015, was in the office of the Director of the Center for Advanced Studies at the Higher School of Economics (Moscow, Russia)

Currently, a Professor in the Department of Economics and Advisor to the Rector of National Research University – Higher School of Economics (Moscow, Russia)

Membership in management bodies of other legal entities:

Member of the Board of Directors at ROSBANK PJSC

Candidate:

- owns shares of the Bank (interest in the authorized capital: 0.00018%; share of owned common stock: 0.00019%);
- has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

3. Herman O. Gref (Executive Director)**At present:**

- CEO, Chairman of the Executive Board of Sberbank
- Member of Sberbank Supervisory Board, Member of the Strategic Planning Committee

Date of Birth: February 8, 1964

Place of birth: Panfilovo, Irtysh District, Pavlodar Region, Kazakh SSR

Citizenship: Russian Federation

H. O. Gref was nominated to the Supervisory Board by the shareholder – Central Bank of the Russian Federation – and a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1990: Dostoyevsky Omsk State University with a specialization in Legal Studies

1993: Postgraduate student at the Faculty of Law of Saint Petersburg State University

2011: PhD in Economics

Work experience for the last five years:

From November 2007 till present, CEO and Chairman of the Executive Board of Sberbank

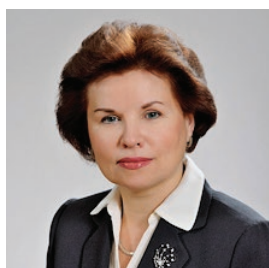
Membership in management bodies of other legal entities:

Member of the Board of Directors at Yandex N.V.

Member of Supervisory Boards at the Autonomous Nonprofit Organization Center for Expert Reviews on Issues of World Trade Organization, National Research University Higher School of Economics, the Autonomous Nonprofit Organization Agency of Strategic Initiatives to Promote New Projects. Chairman of the Boards of Directors at a number of subsidiary banks of Sberbank

Candidate:

- owns shares of the Bank (interest in the authorized capital: 0.0031%; share of owned common stock: 0.003%);
- has no kinship relations with persons involved in the governance and financial and operating control bodies of the Bank.

4. Nadezhda Yu. Ivanova (Nonexecutive Director)**At present:**

- Deputy Governor of the Central Bank of the Russian Federation – Director of the General Economic Department
- Member of Sberbank Supervisory Board, Member of the Audit Committee, Member of the Risk Management Committee

Date of Birth: June 13, 1953

Place of birth: Moscow

Citizenship: Russian Federation

N. Yu. Ivanova was nominated to the Supervisory Board by a shareholder – the Central Bank of the Russian Federation.

Education:

1975: Moscow Financial Institute with a specialization in Finance & Credit

Work experience for the last five years:

Since 1995 was in the office of the Director of the General Economic Department of the Central Bank of the Russian Federation.

From June 2013 till present – Deputy Chairman and Director of the General Economic Department of the Central Bank of the Russian Federation.

Membership in management bodies of other legal entities:

Member of the Board of Directors of the Central Bank of the Russian Federation

Candidate:

- owns no shares of the Bank;
- has no kinship relations with persons involved in the governance and financial and operating control bodies of the Bank.

5. Sergey M. Ignatiev (Nonexecutive Director)

**At present:**

- Advisor to the Governor, Central Bank of Russia
- Chairman of the Supervisory Board of Sberbank

Date of Birth: January 10, 1948

Place of birth: Leningrad

Citizenship: Russian Federation

S. M. Ignatiev was nominated to the Supervisory Board by a shareholder – the Central Bank of the Russian Federation.

Education:

1975: Lomonosov Moscow State University with a specialization in Political Economy

1978: Postgraduate student at Lomonosov Moscow State University, PhD in Economics

Work experience for the last five years:

From 2002 till 2013 was in the office of the Governor of the Central Bank of the Russian Federation.

From June 2013 to the present – Advisor to the Governor of the Central Bank of the Russian Federation

Membership in management bodies of other legal entities:

Member of the Board of Directors of the Central Bank of the Russian Federation and the State Corporation Deposit Insurance Agency

Candidate:

- owns no shares of the Bank;
- has no kinship relations with persons involved in the governance and financial and operating control bodies of the Bank.

6. Alexei L. Kudrin (Nonexecutive Director)

**At present:**

- Dean of the Faculty of Liberal Arts and Sciences, Saint Petersburg State University
- Deputy Chairman of Sberbank Supervisory Board, Chairman of the Strategic Planning Committee

Date of Birth: October 12, 1960

Place of birth: Dobeles, Latvian SSR

Citizenship: Russian Federation

A. L. Kudrin was nominated to the Supervisory Board by a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1983: Zhdanov Leningrad State University with a specialization in Political Economy

1987: Postgraduate student of the Institute of Economics of the USSR Academy of Sciences, PhD in Economics

Work experience for the last five years:

From 2000 through 2011, held the office of the Deputy Chairman of the Government of the Russian Federation – Minister of Finance

From June 2011 to the present, Dean of the Faculty of Liberal Arts and Sciences of Saint Petersburg State University

Membership in management bodies of other legal entities:

Chairman of the Supervisory Board of Moscow Exchange PJSC. Chairman of the Board of Directors at JSC "Medicina" and JSC "Future" Private Pension Fund

Candidate:

- owns no shares of the Bank;
- has no relations with affiliates of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

7. Georgy I. Luntovskiy (Nonexecutive Director)

**At present:**

- First Deputy Governor of the Central Bank of the Russian Federation
- Deputy Chairman of the Supervisory Board, Sberbank, Chairman of the HR and Remuneration Committee

Date of Birth: April 12, 1950

Place of birth: Kursk

Citizenship: Russian Federation

G. I. Luntovskiy was nominated to the Supervisory Board by a shareholder – the Central Bank of the Russian Federation.

Education:

1978: All-Union Correspondence Financial and Economic Institute with a specialization in Finance and Credit

1997: Russian Presidential Academy of National Economy and Public Administration with a specialization in Management in Market Conditions

1998: Moscow State University of Economics, Statistics and Informatics, PhD in Economics

Work experience for the last five years:

From 2005 to the present, First Deputy Governor of the Central Bank of the Russian Federation

Membership in management bodies of other legal entities:

Member of the Boards of Directors of the Central Bank of the Russian Federation and Interstate Bank, Chairman of the Supervisory Boards of Russian Encashment Association (ROSINKAS) and National Payment Card System JSC

Candidate:

- owns no shares of the Bank;
- has no kinship relations with persons involved in the governance and financial and operating control bodies of the Bank.

8. Vladimir A. Mau (Independent Director)



At present:

- Rector of the Russian Presidential Academy of National Economy and Public Administration
- Member of Sberbank Supervisory Board, Chairman of the Audit Committee, Member of the HR and Remuneration Committee

Date of Birth: 29.12.1959

Place of birth: Moscow

Citizenship: Russian Federation

V. A. Mau was nominated to the Supervisory Board by a shareholder – the Central Bank of the Russian Federation.

Education:

1981: Plekhanov Moscow National Economic Institute, Economics faculty

1987: Institute of Economics of the USSR Academy of Sciences, PhD in Economics

1994: Institute of Economics of the USSR Academy of Sciences, Doctor of Economics

1999: Pierre Mendès-France University, Grenoble (France), PhD in Economics

Work experience for the last five years:

From 2002 till present, Rector of the Russian Presidential Academy of National Economy and Public Administration

Membership in management bodies of other legal entities:

Member of the Board of Directors at Transcapitalbank PJSC, Gazprom PJSC, Severstal PJSC

Candidate:

- owns no shares of the Bank;
- has no relations with affiliates of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

9. Gennady G. Melikyan (Independent Director)



At present:

- Member of Sberbank Supervisory Board, Senior Independent Director, Chairman of the Risk Management Committee, Member of the Strategic Development Committee
- Honored Economist of the Russian Federation

Date of Birth: November 27, 1947

Place of birth: Kropotkin, Krasnodar Krai

Citizenship: Russian Federation

G. G. Melikyan was nominated to the Supervisory Board by a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1974: Lomonosov Moscow State University with a specialization in Political Economy

1977: Post-graduate student at Lomonosov Moscow State University, PhD in economics

Work experience for the last five years:

From 2003 to 2011, held the office of Deputy Governor of the Central Bank of the Russian Federation – Head of the Chief Inspectorate of Credit Institutions and afterwards held the office of the First Deputy Governor of the Central Bank of the Russian Federation

Membership in management bodies of other legal entities:

Member of the Boards of Directors of Energotransbank Commercial Bank (AVTOTOR Group), Interstate Oil Company "Soyuzneftegaz" CJSC

Candidate:

- owns shares of the Bank (interest in the authorized capital: 0.0001%; share of owned common stock: 0.0001%);

- has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

10. Alessandro Profumo (Independent Director)



At present:

- Chairman of the Board of Directors of Equite Sim S.p.a. (Italy)
- Member of Sberbank Supervisory Board, Member of the Strategic Planning Committee, Member of the Risk Management Committee

Date of Birth: February 17, 1957

Place of birth: Genoa, Italy

Citizenship: Italy

A. Profumo was nominated to the Supervisory Board by a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1987: Bocconi University (Italy), MSc (Business Administration)

Work experience for the last five years:

From 2012 to August 2015, Chairman of Banka Monte dei Paschi di Siena (Italy)

Membership in management bodies of other legal entities:

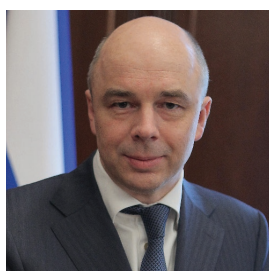
Chairman of the Board of Directors at Appeal Strategy & Finance S.r.l., Turati 9, Nicla S.P.A.

Member of the Board of Directors at TOG, Mossi Aziende agricole vitivinicole S.r.l.

Candidate:

- owns no shares of the Bank;
- has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

11. Anton G. Siluanov (Nonexecutive Director)



At present:

- Minister of Finance of the Russian Federation
- Member of the Supervisory Board of Sberbank

Date of Birth: April 12, 1963

Place of birth: Moscow

Citizenship: Russian Federation

A. G. Siluanov was nominated to the Supervisory Board by a shareholder – the Central Bank of the Russian Federation.

Education:

1985: Moscow Financial Institute with a specialization in Finance & Credit

1995: PhD in Economics

2012: Doctor of Economics

Work experience for the last five years:

From 2005 to 2011, held the office of the Deputy Minister of Finance. From December 2011 to present – Minister of Finance of the Russian Federation. Since June 2013 – Dean of the Finance and Economics faculty at the Financial University under the Government of the Russian Federation.

Membership in management bodies of other legal entities:

Member of the Supervisory Boards of PJSC "ALROSA", RosTech Corporation, Russian Direct Investment Fund, State corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)".

Chairman of the Board of Directors at Deposit Insurance Agency State corporation.

Chairman of the National Financial Council of the Central Bank of the Russian Federation.

Manager for the Russian Federation at the International Monetary Fund, the International Bank for Reconstruction and Development, the Multilateral Investment Guarantee Agency, and the New Development Bank BRICS. Plenipotentiary of the Russian Federation in the Eurasian Development Bank.

Candidate:

- owns no shares of the Bank;
- has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

12. Sergei G. Sinelnikov-Murylev (Independent Director)

**At present:**

- Rector of the Russian Foreign Trade Academy of the Ministry for Economic Development of the Russian Federation
- Member of Sberbank Supervisory Board, Member of the Audit Committee, Member of the HR and Remunerations Committee, Member of the Risk Management Committee

Date of Birth: July 11, 1960

Place of birth: Moscow

Citizenship: Russian Federation

S. G. Sinelnikov-Murylev was nominated to the Supervisory Board by a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1982: Lomonosov Moscow State University with a specialization in Economic Cybernetics

1985: PhD in Economics

1996: Doctor of Economics

2005: received a diploma that entitles him to lead scientific research in economics (Le diplôme de l'habilitation a diriger des Recherches en "SCIENCES ECONOMIQUES")

2007: the title of Professor awarded

Work experience for the last five years:

From 2000 till present – Professor of the Systematic Economic Analysis Chamber of the Moscow Physics and Technical Institute (State University)

From 2002 till present – Pro-rector of the Russian Presidential Academy of National Economy and Public Administration

From 2007 till present – Rector of the Russian Foreign Trade Academy of the Ministry of Economic Development of the Russian Federation

Membership in management bodies of other legal entities:

Member of the Board of Directors at Rosagrolizing PJSC, Gaidar Institute for Economic Policy Foundation

Candidate:

- owns no shares of the Bank;
- has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

13. Dmitry V. Tulin (Nonexecutive Director)



At present:

- First Deputy Governor of the Central Bank of the Russian Federation
- Member of Sberbank Supervisory Board, Member of the Audit Committee, Member of the HR and Remunerations Committee

Date of Birth: March 26, 1956

Place of birth: Moscow

Citizenship: Russian Federation

D. V. Tulin was nominated to the Supervisory Board by a shareholder – the Central Bank of the Russian Federation.

Education:

1978: Moscow Financial Institute with a specialization in International Economic Relations

1985: PhD in Economics

Work experience for the last five years:

From 2006 to 2012 was the Partner at Deloitte & Touche CIS

From 2012 to present – Associate Professor of the Finance, Credit, and Insurance Department at the Russian Academy of Entrepreneurship

From January 2015 to the present – First Deputy Governor of the Central Bank of the Russian Federation

Membership in management bodies of other legal entities:

Member of the Board of Directors of the Central Bank of the Russian Federation

Candidate:

- owns no shares of the Bank;
- has no kinship relations with persons involved in the governance and financial and operating control bodies of the Bank.

14. Nadia Wells (Independent Director)



At present:

- Independent Investment and Corporate Governance Consultant
- Member of Sberbank Supervisory Board, Member of the Audit Committee, Member of the Strategic Planning Committee, Member of the Risk Management Committee

Date of Birth: December 24, 1970

Place of birth: London, United Kingdom

Citizenship: Great Britain

N. Wells was nominated to the Supervisory Board by a group of shareholders of the Bank who own over 2 percent of votes.

Education:

1993: MA graduate of Oxford University (with Honors) with a specialization in Modern History and Modern Language

2000: INSEAD Business School (France), MBA

Work experience for the last five years:

From 2001 to 2014 held the office of Vice President, Portfolio Manager, and Investment Analyst for Global Emerging Markets at Capital International SA

Membership in management bodies of other legal entities:

Member of the Board of Directors at Barings Emerging Europe Plc.

Candidate:

- owns no shares of the Bank;
- has no relations with affiliates and large counterparties of the Bank or kinship relations with persons included in the governance and financial and operating control bodies of the Bank.

15. Sergei A. Shvetsov (Nonexecutive Director)

**At present:**

- First Deputy Governor of the Central Bank of the Russian Federation
- Member of Sberbank Supervisory Board,
Member of the Strategic Planning Committee

Date of Birth: December 27, 1970**Place of birth:** Moscow**Citizenship:** Russian Federation

S. A. Shvetsov was nominated to the Supervisory Board by a shareholder – the Central Bank of the Russian Federation.

Education:

1993: Lomonosov Moscow State University with a specialization in Economic Cybernetics

Work experience for the last five years:

From 2011 to 2013 – Deputy Governor of the Central Bank of the Russian Federation.

Since September 2013 – First Deputy Governor of the Central Bank of the Russian Federation.

Membership in management bodies of other legal entities:

Member of the Board of Directors of the Central Bank of the Russian Federation

Candidate:

- owns no shares of the Bank;
- has no kinship relations with persons involved in the governance and financial and operating control bodies of the Bank.

The consent of the candidates to be elected to the Supervisory Board of the Bank and work on its Committees are available.

Item No. 6

Election of Members of the Audit Commission

Draft Resolution on the Item.

Elect the following members to the Audit Commission:

1.	Natalya Borodina	Deputy Director of the Internal Auditing Department of the Central Bank of the Russian Federation
2.	Vladimir Volkov	Deputy Chief Accountant of the Central Bank of the Russian Federation, Deputy Director of Accounting and Reporting Department
3.	Irina Litvinova	Head of the Audit of Accounting and Financial and Economic Activities Division of Internal Auditing Department of the Central Bank of the Russian Federation
4.	Tatyana Domanskaya	Head of Interaction with External Controlling Authorities of Internal Audit Division of Sberbank
5.	Yulia Isahanova	Senior Managing Director – Head of Financial Control Division of Finance Department of Sberbank
6.	Aleksei Minenko	Managing Director – Deputy Chief Accountant, Deputy Director of Accounting and Reporting Division of Sberbank
7.	Natalya Revina	Senior Managing Director – Director of the Department of Integrated Risk Management of Sberbank

Clarifying information on the item

Subject to Federal Law No. 208-FZ, dated December 26, 1995 On Joint Stock Companies the Annual General Shareholders Meeting is required to address the matter of electing members of the Audit Commission of the Bank.

According to the Charter the Audit Commission shall include seven members.

The Audit Commission is elected for the period until the next Annual General Meeting.

Members of the Audit Commission cannot simultaneously be the members of the Supervisory Board of the Bank or hold any other position in the management bodies of the Bank.

Members of the Audit Commission can be re-elected an unlimited number of times.

Three candidates have been proposed for election to the Audit Commission.

In accordance with Federal Law No. 208-FZ dated December 26, 1995 On Joint Stock Companies as an insufficient number of candidates has been proposed by shareholders for election to the Audit Commission, the Supervisory Board has proposed an additional 4 candidates from the existing Audit Commission.

By the decision of the Supervisory Board dated March 17, 2016 all candidates are included in the Candidate List for election to the relevant Bank body.

The Annual General Shareholders Meeting of the Bank is proposed to vote for the candidates included in the candidate list for elections to the relevant Bank body.

List of Candidates for Sberbank Audit Commission

1. Borodina Natalya – Deputy Director of the Internal Auditing Department, the Central Bank of the Russian Federation

Date of Birth: 31 October 1962

Education:

1984 graduated from Plekhanov Moscow Institute of the National Economy with specialization in National Economy Planning, qualification — Economist.

Work experience in the last five years (the following positions were held in the Central Bank of the Russian Federation):

- 2007–2011 Head of Review of Audit Materials and Discrepancy Mitigation Control Section of Audit Methodology, Planning and Development Division of Chief Audit Service of Internal Auditing Department;
- 2011–2012 Head of Credit Institutions Engagement Audit Section of Financial market Operations and Credit Institutions Audit Division of Internal Auditing Department;
- 2012–2013 Head of Audit Division of Moscow Region Units of Internal Auditing Department;
- 2013–2015 Head of Financial market Operations and Credit Institutions Audit of Internal Auditing Department.

N. Borodina was offered as a candidate for the Audit Commission by a shareholder — the Central Bank of the Russian Federation.

2. Volkov Vladimir – Deputy Chief Accountant of the Central Bank of the Russian Federation, Deputy Director of Accounting and Reporting Department.

Date of birth: 17 November 1957

Education:

- 1989 graduated from Moscow Financial Institute with specialization in Finance and Credit, qualification — Economist;
- 2002 graduated from Moscow University of Consumer Cooperation with specialisation in Jurisprudence, qualification — Jurist.

Work experience in the last five years:

- 2007–2013 Deputy Director of Accounting and Reporting Department - Head of Accounting Principles Methodology and Implementation, Development and Maintenance of the Methodological Framework of the International Standards Financial Reporting of the Central Bank of the Russian Federation.

V. Volkov was offered as a candidate for the Audit Commission by a shareholder — the Central Bank of the Russian Federation.

3. Litvinova Irina – Head of Audit of Accounting and Financial and Economic Activities Division of Internal Auditing Department of the Central Bank of the Russian Federation.

Date of birth: 26 March 1968

Education:

- 1991 graduated from Khabarovsk Institute of the National Economy with specialization in Economic and Social Planning, qualification — Economist.

Work experience in the last five years (the following positions were held in the Central Bank of the Russian Federation):

- 2011–2012 Head of the Financial Market Operations and Credit Institutions Audit Division of Internal Auditing Department;
- 2012–2013 Deputy Governor of Internal Auditing Department;
- 2013–2014 Head of Moscow Region Units Audit Division of Internal Auditing Department.

I. Litvinova was offered as a candidate for the Audit Commission by a shareholder — the Central Bank of the Russian Federation.

4. Domanskaya Tatyana – Head of Interaction with External Controlling Authorities Section of Internal Audit Division of Sberbank.

Date of birth: 13 January 1974

Education:

- 1995 graduated from Plekhanov Russian Academy of Economics with specialization in Finance and Credit, qualification — Economist.

Work experience in the last five years:

- 2006–2013 Senior Economist, Senior, Chief Auditor of Internal Control, Inspection and Audit Department of Sberbank.

T. Domanskaya was included in the list of candidates for election on the proposal of the Supervisory Board of the Bank in accordance with Clause 7 of Article 53 of Federal Law No. 208-FZ dated 26 December 1995 “On Joint-Stock Companies”.

5. Isahanova Yulia – Senior Managing Director - Head of Financial Control Division of Finance Department of Sberbank.

Date of birth: 15 June 1968

Education:

- 1990 graduated from Moscow Financial Institute with specialization in Finance and Credit, qualification — Economist;
- 2007 (additional qualification) — the State University - Higher School of Economics - MBA.

Work experience in the last five years:

- 2009–2015 Head of Financial Control Division of Finance Department of Sberbank.

Yu. Isahanova was included in the list of candidates for election on the proposal of the Supervisory Board of the Bank in accordance with Clause 7 of Article 53 of Federal Law No. 208-FZ dated 26 December 1995 “On Joint-Stock Companies”.

6. Minenko Aleksei – Managing Director – Deputy Chief Accountant, Deputy Director of Accounting and Reporting Division of Sberbank.

Date of birth: 25 May 1968

Education:

- 1993 graduated from Lomonosov Moscow State University with specialization in Physics, qualification — Physicist;
- 1996 graduated from Plekhanov Russian Academy of Economics with specialization in Finance and Credit, qualification — Economist;
- 2004 (additional qualification) — the State University – Higher School of Economics – MBA.

Work experience in the last five years:

2010–2015 Deputy Chief Accountant, Deputy Director of Accounting and Reporting Division of Sberbank.

A. Minenko was included in the list of candidates for election on the proposal of the Supervisory Board of the Bank in accordance with Clause 7 of Article 53 of Federal Law No. 208-FZ dated 26 December 1995 "On Joint-Stock Companies".

7. Revina Natalya – Senior Managing Director – Director of the Department of Integrated Risk Management of Sberbank.

Date of birth: 26 June 1969

Education:

1993 graduated from Moscow Institute of Physics and Technology with specialization in Applied Mathematics and Physics, qualification — Physical Engineer;

1999 graduated from the G.V. Plekhanov Russian Academy of Economics With a degree in Finance and Credit, qualification — Economist.

Work experience in the last five years:

2010–2013 Head of Retail Risk Division of Risk Department of Sberbank;

2013–2015 Director of Risk Methodology and Control Department of Sberbank.

N. Revina was included on the list of candidates for election on the proposal of the Supervisory Board of the Bank in accordance with Clause 7 of Article 53 of Federal Law No. 208-FZ dated 26 December 1995 "On Joint-Stock Companies".

Candidates for the Audit Commission have expressed their consent.

Item No. 7

Amendments to the Charter

Draft Resolution on the Item.

Approve amendments No. 1 to the Charter. Instruct the CEO, the Chairman of the Executive Board of Sberbank to sign the documents required for the state registration of amendments No. 1 to the Charter.

Clarifying information on the item

Amendments to the Charter proposed for review have been prepared subject to:

1. Amendments to Federal Law No. 208-FZ dated December 26, 1995 On Joint Stock Companies which enter into force July 1, 2016.
2. Amendments recommended by the Bank of Russia to be made to the Charter of the Bank with regard to:
 - the rights and obligations of shareholders (brought in line with Article 65.2 of the Civil Code of the Russian Federation);
 - the procedure for the formation and powers of the internal control bodies of the Bank (in accordance with Federal Law No. 395-1 dated February 12, 1990 On Banks and Banking and Bank of Russia Regulation 242-P On the Organization of Internal Controls in Credit Institutions and Banking Groups);
 - the reorganization and liquidation of the Bank (brought in line with the Bank of Russia Instruction 135-I On the procedure for the bank of Russia to take a Decision on the State Registration of Credit Institutions).
3. Amendments related to information on the Bank's branches.

Amendments to the Charter

APPROVED BY

**Deputy Chairman of the Central
Bank of the Russian Federation**

« ____ » _____, 2016

**AMENDMENTS No. 1, introduced to the Charter
of Sberbank of Russia, Sberbank**

main state registration number of the credit institution 1027700132195,
date of state registration of the credit institution – August 16, 2002
registration number of the credit institution assigned by the Bank of Russia 1481
dated June 20, 1991.

Moscow
2016

1. In Chapter 5 of the Charter “Rights and Obligations of Shareholders”:

- a) wording “the register system” in Clause 5.13 shall be replaced with “the share register”;
- b) Clauses 5.9–5.13 shall be deemed to be Clauses 5.12–5.16 respectively; Clauses 5.9–5.11 shall read as follows:

“5.9. The Bank's shareholders may challenge decisions of the Bank's bodies entailing civil-law consequences in cases and according to the procedure stipulated by the law.

5.10. The Bank's shareholders acting on behalf of the Bank may demand compensation for losses caused to the Bank.

5.11. The Bank's shareholders acting on behalf of the Bank may challenge transactions settled by it on the grounds stipulated by Article 174 of the Civil Code or by Federal Law “On Joint Stock Companies”, and demand to apply consequences of their invalidity, as well as to apply consequences of invalidity of void transactions of the Bank.”

- c) Clause 5.14 shall be deemed to be 5.20; Clauses 5.17–5.19 shall read as follows:

“5.17. The Bank's shareholders shall participate in the generation of the Bank's property in the required amount according to the procedure, in the manner and within the period provided for by the Civil Code of the Russian Federation, other laws, or the Bank's Charter.

5.18. The Bank's shareholders shall avoid actions deliberately aimed to cause damage to the Bank.

5.19. The Bank's shareholders shall avoid actions (inaction) that materially hinder or make impossible the achievement of the goals for which the Bank was founded.”

- 2. Clause 7.3** shall be supplemented with wording “as well as electronic money balance” to be added after wording “lodged with the Bank”.

- 3. Subclause 24 of Clause 9.2 of the Charter** shall be deemed to be Subclause 25; Subclause 24 shall read as follows:

“24) Making a decision on filing an application for delisting of the Bank's shares and (or) the Bank's issue-grade securities convertible into its shares;”

- 4. Third and fourth paragraphs shall be added to Clause 9.9 of the Charter as follows:**

“When holding the General Shareholders' Meeting in the form of a physical meeting, it is allowed to use information and communication technologies supporting the option of remote participation in the General Shareholders' Meeting, discussion of issues on the agenda and decision-making on issues put to vote, without presence at the place of holding the General Shareholders' Meeting.

The possibility of remote participation in the General Shareholders' Meeting, filling in of the electronic form of ballots on the website in the Internet information and telecommunication network shall be approved by the Bank's Supervisory Board when settling the issues related to preparations for the General Shareholders' Meeting. The address of the website in the Internet information and telecommunication network where shareholders may be registered for participation in the General Shareholders' Meeting, as well as where the electronic form of ballots may be filled in shall be approved by the Bank's Supervisory Board and be specified in the notification on holding the General Shareholders' Meeting.”

- 5. In the first paragraph of Clause 9.11 of the Charter**, wording “in written form” shall be removed and wording “(shareholder) or their representatives” shall be added after wording “shall be signed by shareholders:”

6. In Clause 9.18 of the Charter, wording “fifty (50) days” shall be replaced with “forty (40) days”.

7. In the first paragraph of Clause 9.19 of the Charter, wording “ninety (90) days” shall be replaced with “seventy (70) days” of Clause 9.19; in the second paragraph – wording “by the Federal Law” shall be replaced with “by the Bank's Supervisory Board:”

8. Clause 9.23 of the Charter shall be amended to read as follows:

“The General Shareholders' Meeting is duly constituted if it has been attended by shareholders having collectively over a half of votes of the placed voting shares. Shareholders registered for participation in the General Shareholders' Meeting, including on the website in the Internet information and telecommunication network specified in the notification on holding the General Shareholders' Meeting, as well as shareholders whose ballots were received or the electronic form of ballots was filled in on the website in the Internet information and telecommunication network specified in such notification within two days after the date of holding the General Shareholders' Meeting shall be deemed to have attended the General Shareholders' Meeting.

Shareholders whose voting ballots were received or the electronic form of ballots was filled in on the website in the Internet information and telecommunication network specified in the notification on holding the General Shareholders' Meeting before the final date of acceptance of ballots shall be deemed to have attended the General Shareholders' Meeting held in the form of absentee voting.”

9. The third paragraph shall be added to Clause 9.24 of the Charter as follows:

“Persons entitled to participate in the General Shareholders' Meeting may fill in the electronic form of voting ballots on the website in the Internet information and telecommunication network specified in the notification on holding the General Shareholders' Meeting. The electronic form of ballots on the said website may be filled in by shareholders in the course of the General Shareholders' Meeting if they have not exercised their right to participate in such meeting in another way.”

10. In Subclause 14 of Clause 10.2 of the Charter wording “introduction into this Charter of amendments associated with opening and closure of the Bank's branches and representative offices” shall be removed.

11. In Clause 14.3, the first paragraph shall be removed; the second paragraph shall read as follows:

“In case of closure of the Bank's branch or change of its status, the Bank shall notify thereof all creditors of the Bank receiving services in the branch to be closed, including foreign customers, by publishing a relevant notification in the mass media, posting a message on the Bank's official corporate website in the Internet, as well as by placing a message in the office of such branch and in all its internal structural units in places accessible for customers.”

12. The following paragraphs shall be added to Clause 16.3 of the Charter as follows:

“The Internal Audit Service shall report to the Bank's Supervisory Board and shall act under its direct control, provide reporting on its activity to the Bank's Supervisory Board and information on measures taken to fulfill recommendations regarding elimination of detected violations.

The Head of the Internal Audit Service reports to the Bank's Supervisory Board.

The structure and the staff size of the Internal Audit Service shall be approved by the Bank's CEO, Chairman of the Executive Board. The Internal Audit Service carries out its activity independently of other structural units of the Bank.

The Internal Audit Service receives powers to check all areas of the Bank's activity, including:

- assessment of the efficiency of the system of internal control in general, including control over the use of automated information systems, internal control processes and procedures;
- check of the efficiency of the method for assessing bank risks and the procedures for management of bank risks established in the Bank;
- check of the accuracy, completeness and timeliness of accounting and reporting;
- check of ways (methods) for ensuring preservation of the Bank's property;
- evaluation of the economic feasibility and efficiency of transactions and other deals performed by the Bank;
- other powers according to the legislation, regulations of the Bank of Russia, and the Bank's internal documents.

13. Clause 16.4 of the Charter shall be amended to read as follows:

"Internal Control Service is a set of structural business units and employees of the Bank, acting according to the legislation of the Russian Federation, this Charter and Regulations on the Internal Control Service approved by CEO, Chairman of the Executive Board of the Bank.

Regulations on the Internal Control Service determines aims, functions (rights and responsibilities), status, work methods, accountability of the Head of Internal Control Service and other matters.

The Head of the Internal Control Service is appointed and dismissed by CEO, Chairman of the Executive Board of the Bank.

Number of personnel, structure and material and technical provision of the Internal Control Service is determined by CEO, Chairman of the Executive Board according to the character and scale of the operations performed and the level of the risk of non-compliance with legislative and regulatory requirements, assumed by the Bank.

The main functions of the Internal Control Service are:

- identifying and monitoring risk of non-compliance with legislative and regulatory requirements, i.e. the risk of Bank suffering losses due to non-compliance with the legislation of the Russian Federation, internal documents of the Bank, standards of self-regulatory organizations and/or application of sanctions and/or other corrective actions by the supervisory bodies;
- accounting of events associated with the risk of non-compliance with legislative and regulatory requirements, determination of probability of their occurrence and quantification of possible consequences;
- if required, provision of guidelines for managing risk of non-compliance with legislative and regulatory requirements to the heads of structural business units and management bodies of the Bank;
- coordination and participation in development of the set of measures aimed at mitigation of risk of non-compliance with legislative and regulatory requirements in the Bank;
- identification of conflicts of interest in the Bank's activities and its employees, participation in the development of internal documents aimed at its minimization;
- participation in development of internal documents aimed at combating commercial bribery and corruption;
- participation in development of internal documents and the organization of activities aimed at compliance with the rules of corporate conduct, and standards of professional ethics.

The Internal Control Service operates on a continuous basis, is independent in its activities and has the powers and rights of access to all documents, databases and any information necessary for the performance of its functions under applicable law."

14. Clause 16.5 of the Charter shall be deemed to be Clause 16.9; Clauses 16.5–16.8 shall read as follows:

16.5. The Risk Management Service, the Head of the Risk Management Service shall act based on the Bank's Charter, the Bank's internal documents, including the strategy of risk and Bank's capital management approved by the Bank's Supervisory Board.

The Head of the Bank's Risk Management Service is appointed to the position and dismissed by the Bank's CEO, Chairman of the Executive Board and exercises his powers in compliance with the effective legislation, the Bank's Charter and internal documents.

The Bank's Risk Management Service receives the powers to arrange, implement and maintain the risk management system in the Bank, including the following powers:

- to take measures aiming at prevention and (or) mitigation of risk impact on the Bank's financial standing, competitiveness and reputation;
- to establish and permanently control the limits restricting the impact of risks on the Bank's financial results;
- to forecast the Bank's exposure to various types of risks in future based on different scenarios;
- to consolidate information on risks for disclosure purposes;
- to exercise other powers according to the legislation of the Russian Federation, regulations of the Bank of Russia, and the Bank's internal documents.

16.6. When appointed to their respective positions and throughout the entire period of exercising their respective powers at these positions, Heads of the Bank's Internal Audit Service, Internal Control Service, Risk Management Service shall comply with the qualification and business reputation requirements stipulated by the legislation of the Russian Federation and regulations of the Bank of Russia.

16.7. Implementation of Internal Control Rules to combating the legalization (laundering) of income obtained by criminal means and financing of terrorism is performed by the special officer of the Bank, responsible for combating the legalization (laundering) of income obtained by criminal means and financing of terrorism (AML/FT) – Supervisor on AML/FT.

Supervisor on AML/FT is appointed and dismissed by CEO, Chairman of the Executive Board of the Bank and carries out their activities and is empowered in accordance with the legislation of the Russian Federation, regulatory legal acts and internal documents of the Bank.

"16.8. Control over compliance of the activity of the Bank as a professional participant of the securities market with the legislation of the Russian Federation on the securities market, regulations of the Bank of Russia, regulations of the federal executive body for the securities market, legislation of the Russian Federation on the protection of rights and legitimate interests of investors on the securities market, legislation of the Russian Federation on advertising, as well as compliance with internal documents of the Bank related to the activities of professional participant on the securities market, is performed by the Supervisor of a professional participant of securities market, who is appointed and dismissed by CEO, Chairman of the Executive Board. The Supervisor of a professional participant of the securities market operates and is empowered in accordance with the regulations of regulatory bodies and internal documents of the Bank."

15. Chapter 17 "Reorganization and Liquidation of the Bank" shall be amended to read as follows:

"17.1 Liquidation or reorganization of the Bank shall be carried out according to the legislation of the Russian Federation. The Bank may be reorganized in the form of merger, acquisition, division, spinout, and transformation. Liquidation of the Bank is performed on a voluntary basis subject to the decision of the General Shareholders' Meeting or by enforcement subject to the court ruling according to the procedure established by the legislation of the Russian Federation.

If after making the decision by the Bank's General Shareholders' Meeting on its liquidation, the Bank of Russia makes a decision subject to Federal Law "On Banks and Banking Activity" to revoke the banking license from the Bank, the decision of the Bank's General Shareholders' Meeting on its liquidation and other related decisions of the Bank's shareholders or decisions of the liquidation commission (liquidator) appointed by the Bank's shareholders become null and void. The Bank is subject to liquidation at the initiative of the Bank of Russia by enforcement according to the procedure stipulated by the legislation of the Russian Federation.

17.2. In case of reorganization of the Bank, its rights and obligations pass to its legal successors. Liquidation entails termination of the Bank's activity without transfer of its rights and obligations by way of legal succession.

17.3. The Bank's General Shareholders' Meeting that made the decision on the Bank's liquidation shall appoint the liquidation commission (liquidator), approve the interim liquidation balance sheet and the liquidation balance sheet of the Bank by agreement with the Bank of Russia. Since the moment of its appointment, all powers for the management of the Bank's affairs are transferred to the liquidation commission.

17.4. The liquidation commission shall submit the documents formed during the activity of the Bank to be deposited in the manner prescribed by federal laws and other regulations of the Russian Federation, in accordance with the list approved by the federal executive body authorized by the government of the Russian Federation and the Bank of Russia, with indication of periods of storage of these documents.

17.5. The liquidation shall be considered completed and the Bank shall cease its activity after making a record about it to the unified state register of legal entities by the authorized registration authority."

16. In Annex No. 1 to the Charter "Information on the branches as of February 1, 2015":

- a) wording "February 1, 2015" in the heading shall be replaced with "February 1, 2016";
- b) the name of branch "East Siberian Bank of Sberbank" in line 13 shall be replaced with "Krasnoyarsk Branch No. 8646 of Sberbank";
- c) line 57 shall be removed.

The amendments were introduced based on the decision of the General Shareholders' Meeting of Sberbank, Minutes No. _____ dated _____, 2016.

**CEO, Chairman of the Executive Board
of Sberbank**

Herman Gref

LIST OF AMENDMENTS TO THE CHARTER OF SBERBANK

No.	Current version of the Charter	Proposals on introducing amendments to the Charter	Comment
1.	Chapter 5 Rights and Obligations of Shareholders		
a)	Clause 5.13 Shareholders and nominal holders of securities of the Bank are obliged to observe rules of information submission to the register-maintenance-system .	Clause 5.16 shall be amended to read as follows: Shareholders and nominal holders of securities of the Bank are obliged to observe rules of information submission to the security holders register .	Clause is amended to comply with the Federal law "On Securities Market".
Clauses 5.9–5.13 shall be deemed to be Clauses 5.12–5.16 respectively.			
b)	Clauses 5.9–5.11 are absent in the proposed version.	Clauses 5.9–5.11 shall read as follows.	The Clauses are supplemented by information on the rights and responsibilities of shareholders in accordance with Article 65.2 of the Civil Code of the Russian Federation.
<p>5.9. The Bank's shareholders may challenge decisions of the Bank's bodies entailing civil-law consequences in cases and according to the procedure stipulated by the law.</p> <p>5.10. The Bank's shareholders acting on behalf of the Bank may demand compensation for losses caused to the Bank.</p> <p>5.11. The Bank's shareholders acting on behalf of the Bank may challenge transactions settled by it on the grounds stipulated by Article 174 of the Civil Code or by Federal Law "On Joint Stock Companies", and demand to apply consequences of their invalidity, as well as to apply consequences of invalidity of void transactions of the Bank."</p>			
Clause 5.14 shall be deemed to be Clause 5.20.			
c)	Clauses 5.17–5.19 are absent.	Clauses 5.17–5.19 shall be added in the new version.	The Clauses are supplemented by information on the rights and responsibilities of shareholders in accordance with Article 65.2 of the Civil Code of the Russian Federation.
<p>5.17. The Bank's shareholders shall participate in the generation of the Bank's property in the required amount according to the procedure, in the manner and within the period provided for by the Civil Code of the Russian Federation, other laws, or the Bank's Charter.</p> <p>5.18. The Bank's shareholders shall avoid actions deliberately aimed to cause damage to the Bank.</p> <p>5.19. The Bank's shareholders shall avoid actions (inaction) that materially hinder or make impossible the achievement of the goals for which the Bank was founded."</p>			
2.	Clause 7.3 Funds and other valuables of legal entities and individuals that are available on accounts, deposits or in escrow with the Bank may be seized or recovered only in the manner stipulated by federal laws.	Clause 7.3 shall be amended to read as follows: Funds and other valuables of legal entities and individuals that are available on accounts, deposits or in escrow with the Bank, as well as balance of electronic money may be seized or recovered only in the manner stipulated by federal laws.	The Clause is amended to comply with Part 1 Article 27 of the Federal Law "On Banks and Banking Activity"
3.	Clause 9.2 lacks the proposed version of Subclause.	Subclause 24 of Clause 9.2 shall be amended to read as follows: 24) Making a decision on filing an application for delisting of the Bank's shares and (or) the Bank's issue-grade securities convertible into its shares;	The Clause is amended to comply with the Subclause 19.2 Article 48 of the Federal Law "On Joint Stock Companies"

Subclause 24 of the Clause 9.2 shall be deemed to be Subclause 25 respectively.			
4.	<p>Clause 9.9. (first and second paragraphs) General meeting of shareholders (when conducted in the form of a joint presence of shareholders to discuss the issues on the agenda of the Meeting and decision-making on the issues to be voted on) is conducted in the city of Moscow or another city defined by the Supervisory Board of the Bank when deciding on matters relating to the holding of the General meeting of shareholders. General Shareholders' Meeting shall be held not earlier than 2 months and not later than 6 months after the end of the financial year of the Bank. Paragraphs three and four are absent.</p>	<p>Clause 9.9 shall be added with the third and the fourth paragraphs as follows: "When holding the General Shareholders' Meeting in the form of a physical meeting, it is allowed to use information and communication technologies supporting the option of remote participation in the General Shareholders' Meeting, discussion of issues on the agenda and decision-making on issues put to vote, without presence at the place of holding the General Shareholders' Meeting. The possibility of remote participation in the General Shareholders' Meeting, filling in of the electronic form of ballots on the website in the Internet information and telecommunication network shall be approved by the Bank's Supervisory Board when settling the issues related to preparations for the General Shareholders' Meeting. The address of the website in the Internet information and telecommunication network where shareholders may be registered for participation in the General Shareholders' Meeting, as well as where the electronic form of ballots may be filled in shall be approved by the Bank's Supervisory Board and be specified in the notification on holding the General Shareholders' Meeting."</p>	<p>Law 210-FZ¹ amended the Federal Law "On Joint Stock Companies", allowing for remote participation in the General Shareholders' Meeting (GM) and electronic voting at the GM if such opportunity is provided by the company's Charter. The Clause is described in accordance with the new wording of Paragraph 11 of Article 49 of the Federal Law "On Joint Stock Companies" (effective from July 01, 2016) in order to allow remote participation in the AGM and e-voting.</p>
5.	<p>Clause 9.11. The proposal on submitting items to the agenda of the General Shareholders' Meeting and nomination of candidates are made in writing specifying the name of shareholders (shareholder) submitting them, amount, and category of shares held by such shareholders and must be signed by the shareholders.</p>	<p>Delete the words "in writing" and add the words "(shareholder) or their representatives" in the first paragraph of Clause 9.11.: The proposal on submitting items to the agenda of the General Shareholders' Meeting and nomination of candidates are made specifying the name of shareholders (shareholder) submitting them, amount, and category of shares held by such shareholders and must be signed by the shareholders (shareholder) or their representatives.</p>	<p>The Clause is amended to comply with the new version of Paragraph 3 of Article 53 of the Federal Law "On Joint Stock Companies" (effective from July 01, 2016).</p>

¹ Article 3 of the Federal Law "On Amendments to Certain Legislative Acts of the Russian Federation and Invalidating Certain Provisions of Legislative Acts of the Russian Federation" date June 29, 2015 No. 210-FZ.

6.	<p>Clause 9.18 Extraordinary General Shareholders' Meeting convened at request of the Bank's Audit Commission, the Bank's auditor, or shareholder(s) holding at least 10 percent of the Bank's voting shares, shall be held during 50-calendar days from the moment of submission of the request to hold Extraordinary General Shareholders' Meeting.</p>	<p>Delete the words "50 calendar days" and add the words "40 calendar days" in Clause 9.18: Extraordinary General Shareholders' Meeting convened at request of the Bank's Audit Commission, the Bank's auditor, or shareholder(s) holding at least 10 percent of the Bank's voting shares, shall be held during 40 calendar days from the moment of submission of the request to hold Extraordinary General Shareholders' Meeting.</p>	<p>The Clause is amended to comply with the new version of Paragraph 2 of Article 55 of the Federal Law "On Joint Stock Companies" (effective from July 01, 2016).</p>
7.	<p>Clause 9.19 If the agenda proposed for the extraordinary General Shareholders' Meeting contains the election of the Bank's Supervisory Board, such Meeting shall be held within 90-days of submission of the relevant requirement or decision made by the Bank's Supervisory Board on holding such Meeting. The notice of the Meeting shall be published in the time established by federal law. Shareholders (or shareholder) holding collectively at least 2 percent of voting shares of the Bank may propose candidates for election to the Bank's Supervisory Board, but their number shall not exceed the number of members of the Bank's Supervisory Board. Such proposals shall be delivered to the Bank in the time stipulated under federal law.</p>	<p>Delete the words "90 days" and add the words "70 days" in Clause 9.19: If the agenda proposed for the extraordinary General Shareholders' Meeting contains the election of the Bank's Supervisory Board, such Meeting shall be held within 70 days of submission of the relevant requirement or decision made by the Bank's Supervisory Board on holding such Meeting. The notice of the meeting shall be published in the time established by federal law. Delete the words "under federal law" and add the words "by Supervisory Board of the Bank" in Clause 9.19: Such proposals shall be delivered to the Bank in the time stipulated by Supervisory Board of the Bank.</p>	<p>The Clause is amended to comply with the new version of Paragraph 2 of Article 55 of the Federal Law "On Joint Stock Companies" (effective from July 01, 2016).</p>

8.	<p>Clause 9.23</p> <p>"The General Shareholders' Meeting is duly constituted if it has been attended by shareholders having collectively over a half of votes of the placed voting shares. Attendees of the General Shareholders' Meeting are shareholders that have been registered for attending such Meeting, and shareholders, whose ballots are obtained at least two days prior to the date of the General Shareholders' Meeting. Attendees of the General Shareholders' Meeting held through absentee voting are shareholders, whose ballots are received prior to the ballot submission deadline.</p>	<p>Reword paragraph one of Clause 3.5 of the Agreement as follows:</p> <p>"The general shareholders' meeting is duly constituted if it has been attended by shareholders having collectively over a half of votes of the placed voting shares. Shareholders registered for participation in the General Shareholders' Meeting, including on the website in the Internet information and telecommunication network specified in the notification on holding the General Shareholders' Meeting, as well as shareholders whose ballots were received or the electronic form of ballots was filled in on the website in the Internet information and telecommunication network specified in such notification within two days after the date of holding the General Shareholders' Meeting shall be deemed to have attended the General Shareholders' Meeting. Shareholders whose voting ballots were received or the electronic form of ballots was filled in on the website in the Internet information and telecommunication network specified in the notification on holding the General Shareholders' Meeting before the final date of acceptance of ballots shall be deemed to have attended the General Shareholders' Meeting held in the form of absentee voting.</p>	<p>The Clause is amended in accordance with the new wording of Paragraph 1 of Article 58 of the Federal Law "On Joint Stock Companies" (effective from July 01, 2016) in order to allow remote participation in the AGM and e-voting.</p>
9.	<p>Clause 9.9. (first and second paragraphs)</p> <p>The voting on the issues of the agenda of the General Shareholders' Meeting shall be performed through the voting ballots.</p> <p>Voting ballots are sent as a simple letter or handed over against signature to each person specified in the list of persons entitled to attend the General Shareholders' Meeting, at least 20 days prior to the date of the General Shareholders' Meeting.</p> <p>Third paragraph is absent.</p>	<p>Clause 9.24 shall be added with the third paragraph as follows:</p> <p>Persons entitled to participate in the General Shareholders' Meeting may fill in the electronic form of voting ballots on the website in the Internet information and telecommunication network specified in the notification on holding the General Shareholders' Meeting. The electronic form of ballots on the said website may be filled in by shareholders in the course of the General Shareholders' Meeting if they have not exercised their right to participate in such meeting in another way.</p>	<p>The Clause is amended in accordance with the new wording of Paragraph 4 of Article 60 of the Federal Law "On Joint Stock Companies" (effective from July 01, 2016) in order to allow remote participation in the AGM and e-voting.</p>

10.	<p>Subclause 14 of Clause 10.2. (SB competence) 14) Opening and closing of branches and representative offices of the Bank; amendments to the Charter relating to such opening and closing of the Bank's branches and representative offices Clause 14.3 (first paragraph) Changes in the Charter associated with the opening or closing of branches and representative offices, changes in their status, name and location are introduced upon resolution of the Bank's Supervisory Board once a year at least.</p>	<p>Delete the second part of the sentence in Subclause 14 of Clause 10.2 and amended to read as follows: 14) Opening and closing of branches and representative offices of the Bank; Delete the first paragraph of Clause 14.3.</p>	<p>The Clauses are amended in accordance with Article 12 of the Federal Law "On Joint Stock Companies" (Paragraph 5 of Article 12 repealed from July 01, 2016).</p>
11.	<p>Clause 14.3 (second paragraph) When a Bank's branch is closed, or if its status is changed, the Bank duly notifies foreign lenders, i.e. individuals who have allocated their funds on deposit accounts with such branch, by publishing the relevant message in mass media, placing the relevant message on the official corporate website of the Bank, and placing the relevant message in the office of the given branch, and in all of its internal divisions in locations accessible to clients.</p>	<p>Reword the second paragraph of Clause 14.3 as follows: "In case of closure of the Bank's branch or change of its status, the Bank shall notify thereof all creditors of the Bank receiving services in the branch to be closed, including foreign customers, by publishing a relevant notification in the mass media, posting a message on the Bank's official corporate website in the Internet, as well as by placing a message in the office of such branch and in all its internal structural units in places accessible for customers."</p>	<p>The Clause is amended in accordance with Paragraph 11.13 of the Instructions of the Bank of Russia "On the Procedure of Adoption Decision by the Bank of Russia On the State Registration of Credit Institutions and Licensing Banking Operations" dated April 2, 2010 No. 135-I.</p>
12.	<p>Clause 16.3 Internal Audit Service is a combination of the Bank's structural business units (Internal Audit Division in the Central Head Office and the correspondent units of the Internal Audit Service in the branches) that act in accordance with the legislation in power and Regulations on the Bank's Internal Audit Service.</p>	<p>Clause 16.3 shall be amended with the following paragraphs:</p>	<p>The Clause is provided in accordance with Section 2 Clause 6 Article 10 of the Federal Law "On Banks and Banking Activities" and Subclauses 2.1 and 2.2 Paragraph 7 Clause 4.7.1 of the Regulations of the Bank of Russia 'On Internal Control Organization in Credit Organizations and Banking Groups' dated 16.12.2003 No. 242-P</p>
<p>The Internal Audit Service shall report to the Bank's Supervisory Board and shall act under its direct control, provide reporting on its activity to the Bank's Supervisory Board and information on measures taken to fulfill recommendations regarding elimination of detected violations. The Head of the Internal Audit Service reports to the Bank's Supervisory Board. The structure and the staff size of the Internal Audit Service shall be approved by the Bank's CEO, Chairman of the Executive Board. The Internal Audit Service carries out its activity independently of other structural units of the Bank. The Internal Audit Service receives powers to check all areas of the Bank's activity, including:</p> <ul style="list-style-type: none"> • assessment of the efficiency of the system of internal control in general, including control over the use of automated information systems, internal control processes and procedures; • check of the efficiency of the method for assessing bank risks and the procedures for management of bank risks established in the Bank; • check of the accuracy, completeness and timeliness of accounting and reporting; • check of ways (methods) for ensuring preservation of the Bank's property; • evaluation of the economic feasibility and efficiency of transactions and other deals performed by the Bank; • other powers according to the legislation, regulations of the Bank of Russia, and the Bank's internal documents. 			

13.	Clause 16.4 Internal Control Service is a set of structural business units and employees of the Bank that perform their activities in accordance with the legislation in power and the Regulation on Internal Control Service.	Clause 16.4 shall be amended to read as follows:	The Clause is provided in accordance with Section 2 Clause 6 Article 10 of the Federal Law "On banks and Banking Activities", Subclauses 2.1, 2.2, Paragraph 7 Clause 4.7.1 of the Regulations of the Bank of Russia as of 16.12.2003 No. 242-P.
<p>16.4. Internal Control Service is a set of structural business units and employees of the Bank, acting according to the legislation of the Russian Federation, this Charter and Regulations on the Internal Control Service approved by CEO, Chairman of the Executive Board of the Bank.</p> <p>Regulations on the Internal Control Service determines aims, functions (rights and responsibilities), status, work methods, accountability of the Head of Internal Control Service and other matters.</p> <p>The Head of the Internal Control Service is appointed and dismissed by CEO, Chairman of the Executive Board of the Bank.</p> <p>Number of personnel, structure and material and technical provision of the Internal Control Service is determined by CEO, Chairman of the Executive Board according to the character and scale of the operations performed and the level of the risk of non-compliance with legislative and regulatory requirements, assumed by the Bank.</p> <p>The main functions of the Internal Control Service are:</p> <ul style="list-style-type: none"> • identifying and monitoring risk of non-compliance with legislative and regulatory requirements, i.e. the risk of Bank suffering losses due to non-compliance with the legislation of the Russian Federation, internal documents of the Bank, standards of self-regulatory organizations and/or application of sanctions and/or other corrective actions by the supervisory bodies; • accounting of events associated with the risk of non-compliance with legislative and regulatory requirements, determination of probability of their occurrence and quantification of possible consequences; • if required, provision of guidelines for managing risk of non-compliance with legislative and regulatory requirements to the heads of structural business units and management bodies of the Bank; • coordination and participation in development of the set of measures aimed at mitigation of risk of non-compliance with legislative and regulatory requirements in the Bank; • identification of conflicts of interest in the Bank's activities and its employees, participation in the development of internal documents aimed at its minimization; • participation in development of internal documents aimed at combating commercial bribery and corruption; • participation in development of internal documents and the organization of activities aimed at compliance with the rules of corporate conduct, and standards of professional ethics. <p>The Internal Control Service operates on a continuous basis, is independent in its activities and has the powers and rights of access to all documents, databases and any information necessary for the performance of its functions under applicable law.</p>			
Clause 16.5 shall be deemed to be Clause 16.9.			
14.	Suggested version of Clause 16.5 is not available; clauses from 16.6 to 16.8 are not available	Section 2.3.2 of the Agreement shall be amended to read as follows:	The Clauses are provided in accordance with Section 2 Clause 6 Article 10 of the Federal Law 11.1-2 "On banks and Banking Activities", the Directive of the Bank of Russia as of 15.04.2015 No. 3624-U "On Requirements to Risk and Capital Management System and Banking Group" and the Regulations of the Bank of Russia as of 16.12.2003 No. 242-P.

16.5. The Risk Management Service, the Head of the Risk Management Service shall act based on the Bank's Charter, the Bank's internal documents, including the strategy of risk and Bank's capital management approved by the Bank's Supervisory Board.

The Head of the Bank's Risk Management Service is appointed to the position and dismissed by the Bank's CEO, Chairman of the Executive Board and exercises his powers in compliance with the effective legislation, the Bank's Charter and internal documents.

The Bank's Risk Management Service receives the powers to arrange, implement and maintain the risk management system in the Bank, including the following powers:

- to take measures aiming at prevention and (or) mitigation of risk impact on the Bank's financial standing, competitiveness and reputation;
- to establish and permanently control the limits restricting the impact of risks on the Bank's financial results;
- to forecast the Bank's exposure to various types of risks in future based on different scenarios;
- to consolidate information on risks for disclosure purposes;
- to exercise other powers according to the legislation of the Russian Federation, regulations of the Bank of Russia, and the Bank's internal documents.

16.6. When appointed to their respective positions and throughout the entire period of exercising their respective powers at these positions, Heads of the Bank's Internal Audit Service, Internal Control Service, Risk Management Service shall comply with the qualification and business reputation requirements stipulated by the legislation of the Russian Federation and regulations of the Bank of Russia.

16.7. Implementation of Internal Control Rules to combating the legalization (laundering) of income obtained by criminal means and financing of terrorism is performed by the special officer of the Bank, responsible for combating the legalization (laundering) of income obtained by criminal means and financing of terrorism (AML/FT) — Supervisor on AML/FT.

Supervisor on AML/FT is appointed and dismissed by CEO, Chairman of the Executive Board of the Bank and carries out his activities and is empowered in accordance with the legislation of the Russian Federation, regulatory legal acts and internal documents of the Bank.

16.8. Control over compliance of the activity of the Bank as a professional participant of the securities market with the legislation of the Russian Federation on the securities market, regulations of the Bank of Russia, regulations of the federal executive body for the securities market, legislation of the Russian Federation on the protection of rights and legitimate interests of investors on the securities market, legislation of the Russian Federation on advertising, as well as compliance with internal documents of the Bank related to the activities of professional participant on the securities market, is performed by the Supervisor of a professional participant of securities market, who is appointed and dismissed by CEO, Chairman of the Executive Board. The Supervisor of a professional participant of the securities market operates and is empowered in accordance with the regulations of regulatory bodies and internal documents of the Bank.

15.	<p>Chapter 17. Re-Organization and Liquidation of the Bank</p> <p>17.1. Reasons, procedure, forms of re-organization of the Bank are determined in accordance with the legislation of the Russian Federation.</p> <p>17.2. Reasons and procedure of liquidation of the Bank are established in accordance with the legislation of the Russian Federation.</p>	<p>Chapter 17 "Reorganization and Liquidation of the Bank" shall be amended to read as follows:</p>	<p>The Clauses are provided in accordance with Clause 3.1.2. of the Instructions of the Bank of Russia No. 135-I</p>
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17.1 Liquidation or reorganization of the Bank shall be carried out according to the legislation of the Russian Federation. The Bank may be reorganized in the form of merger, acquisition, division, spinout, and transformation. Liquidation of the Bank is performed on a voluntary basis subject to the decision of the General Shareholders' Meeting or by enforcement subject to the court ruling according to the procedure established by the legislation of the Russian Federation.

If after making the decision by the Bank's General Shareholders' Meeting on its liquidation, the Bank of Russia makes a decision subject to Federal Law "On Banks and Banking Activity" to revoke the banking license from the Bank, the decision of the Bank's General Shareholders' Meeting on its liquidation and other related decisions of the Bank's shareholders or decisions of the liquidation commission (liquidator) appointed by the Bank's shareholders become null and void. The Bank is subject to liquidation at the initiative of the Bank of Russia by enforcement according to the procedure stipulated by the legislation of the Russian Federation.

17.2. In case of reorganization of the Bank, its rights and obligations pass to its legal successors. Liquidation entails termination of the Bank's activity without transfer of its rights and obligations by way of legal succession.

17.3. The Bank's General Shareholders' Meeting that made the decision on the Bank's liquidation shall appoint the liquidation commission (liquidator), approve the interim liquidation balance sheet and the liquidation balance sheet of the Bank by agreement with the Bank of Russia. Since the moment of its appointment, all powers for the management of the Bank's affairs are transferred to the liquidation commission.

17.4. The liquidation commission shall submit the documents formed during the activity of the Bank to be deposited in the manner prescribed by federal laws and other regulations of the Russian Federation, in accordance with the list approved by the federal executive body authorized by the government of the Russian Federation and the Bank of Russia, with indication of periods of storage of these documents.

17.5. Liquidation shall be deemed complete and the Bank's activities terminated once the respective entry is introduced into the Unified State Register of Legal Entities by an authorized registration authority.

16.	In Annex No. 1 to the Charter "Information on the branches as of February 1, 2015"		
a)	In Annex No. 1 to the Charter "Information on the branches as of February 1, 2015"	Wording "February 1, 2015" in the heading of Annex No. 1 shall be replaced with "February 1, 2016"	Update of the information on branches as of 01.02.2016
b)	Line 13: "East Siberian Bank of Sberbank"	The branch name in the line 13 of Annex No. 1 shall be replaced with "Krasnoyarsk branch No. 8646 of Sberbank";	Change of information due to transfer of the East Siberian Bank into the status of a Bank branch
c)	Line 57: North-Caucasus Bank of Sberbank	Line 57 of Annex No.1 shall be cancelled.	Change of information due to liquidation of the North Caucasus Bank

Item No. 8

Approval of the Related Party Transactions

Draft Resolution on the Item.

1. Pursuant to Clause 1 of Article 77 of Federal Law No. 208-FZ dated December 26, 1995 On Joint-Stock Companies, define the value of services purchased under:

- 1.1. Policy No. 15DO0020 (hereinafter — "the Insurance Policy") — as the insurance premium for the Period of Insurance from 10.10.2015 to 30.06.2016 that equals RUB 21,600,000 (twenty-one million and six hundred thousand).
- 1.2. Endorsement No. 1 to the Policy — as the insurance premium for the Period of Insurance from 01.07.2016 to 30.06.2017 that equals RUB 28,800,000 (twenty-eight million and eight hundred thousand).

Taking into account the Endorsement No. 1, the aggregated amount of the insurance premium under the Policy is RUB 50,400,000 (fifty million and four hundred thousand).

2. Pursuant to Clause 1 of Article 81, and Clauses 3 and 4 of Article 83 of Federal Law No. 208-FZ dated December 26, 1995 On Joint-Stock Companies, the following related party transactions shall be approved:

2.1. Policy No. 15DO0020:

Parties: Policyholder – Sberbank of Russia (Sberbank), Insurer – INSURANCE COMPANY OF GAZ INDUSTRY SOGAZ (SOGAZ INSURANCE).

Policy Subject: the Insurer undertakes to pay the insurance coverage (indemnification) under the Policy to (as the case may be) the respective Insured and/or any other person or entity entitled to such indemnification should any insured event specified in the Policy.

Insured:

- 1) any Company (the Policyholder and/or any Subsidiary); and/or;
- 2) any Insured Person – any individual who, (a) at any time prior to the commencement of the Policy Period was; and/or (b) at the commencement of the Policy Period is; and/or (c) at any time during the Policy Period becomes:
 - a) Director (member of the Supervisory board or board of directors) / Officer (including sole executive body, deputy of a sole executive body, a member of the collective executive body, senior vice-president, vice-president, chief accountant, etc.) / any Employee specified in the Policy; and/or;
 - 6) another person specified in the Policy.

Beneficiaries: with reference to covering the liability of any Company and Insured Person for any Financial Loss incurred by third parties – such third parties; with reference to covering any Costs and Expenses of any Company and Insured Person – such Companies and Insured Persons.

The insured interest:

Cover A: the material interests of Insured Person in connection with (1) the duty to indemnify the Financial Loss incurred by any third parties due to any Claim; (2) the incurrance of and/or the necessity to incur any Costs and Expenses due to any Claim;

Cover B: the material interests of any Company in connection with indemnification for any Loss by such a Company due to any Claim against Insured Person;

Cover C: material interests of any Company in connection with (1) the duty to indemnify the Financial Loss incurred by any third parties due to any Securities Claim; (2) the incurrence of and/or the necessity to incur any Costs and Expenses due to any Securities Claim.

The insured events:

Cover A: (1) the onset of all of the following circumstances: the duty of any Insured Person arising at any time prior to or during the Period of Insurance pursuant to applicable law to indemnify any Financial Loss incurred by any third parties in connection with any Wrongful Act of the Insured Person, and any Claim made against such Insured Person during the Period of Insurance in connection with such Financial Loss; (2) any Claim made against Insured Person that may result in the incurrence of or the necessity to incur any Costs and Expenses by such Insured Person in connection with such Claim;

Cover B: the incurrence of any expenses by any Company solely in connection with the indemnification for any Loss by such Company to any Insured Person and/or other person or entity in the interests of any Insured Person in connection with any Claim made against any Insured Person and/or the liability of any Insured Person for any Financial Loss incurred by third parties;

Cover C: (1) the onset of all of the following circumstances: the duty of any Company arising at any time prior to or during the Period of Insurance pursuant to applicable law to indemnify any Financial Loss incurred by any third parties in connection with any Wrongful Act of the Company, and any Securities Claim made against such Company during the Period of Insurance in connection with such Financial Loss; (2) any Securities Claim made against such Company that may result in the incurrence of or the necessity to incur any Costs and Expenses by such Company in connection with such Securities Claim.

Price of the transaction: insurance premium for the Period of Insurance from 10.10.2015 to 30.06.2016 is RUB 21,600,000 (twenty-one million and six hundred thousand).

Limit of Liability:

- total for all insurance covers and extensions, except Independent Director extension: RUB 4,600,000,000 (RUB four billion six hundred million);
- Independent Director Excess Limit of Liability: RUB 30,000,000 (thirty million). Independent Director Aggregate Excess Limit of Liability: RUB 150,000,000 (one hundred and fifty million).

Retention (for each Insured Event):

Cover A: Not applicable;

Cover B: RUB 1,500,000 (one million five hundred thousand) (for Claims attributable to the SPO), RUB 500,000 (five hundred thousand) (for all other Claims);

Cover C: RUB 7,500,000 (seven million five hundred thousand) (for Claims attributable to the SPO), RUB 3,000,000 (three million) (for all other Claims).

Free Discovery Period: 60 (sixty) calendar days.

Term of the Policy / Period of Insurance: 10.10.2015 – 30.06.2016.

2.2. Endorsement No. 1 to the Policy No. 15DO0020:

Parties: Policyholder – Sberbank of Russia (Sberbank), Insurer – INSURANCE COMPANY OF GAZ INDUSTRY SOGAZ (SOGAZ INSURANCE).

Subject of the Endorsement: prolongation of the term of the Policy till 30.06.2017, without any changes to other conditions of the Policy.

Price of the transaction: : the insurance premium for the Period of Insurance from 01.07.2016 to 30.06.2017 is RUB 28,800,000 (twenty-eight million and eight hundred thousand).

Term of the Endorsement / Period of Insurance: up to 30.06.2017.

Beneficiaries: with reference to covering the liability of any Company and Insured Person for any Financial Loss incurred by any third parties – such third parties; with reference to covering any Costs and Expenses of any Company and Insured Person – such Companies and Insured Persons.

Other material terms: correspond to the Policy.

Clarifying information on the item

The Annual General Meeting of Shareholders is proposed to approve the related party transactions between the Bank and JSC "SOGAZ" – D&O Policy No. 15DO0020 (hereafter – the Contract) and Endorsement №1 to the Policy (hereafter together – insurance transactions).

According to the Corporate Governance Code recommended for use by the Bank of Russia in the letter No. 06-25/2463 dated 10.04.2014 the joint-stock companies are advised to insure the liability of members of the board and executive bodies since the losses inflicted on the company or third persons through the actions of the members of the executive bodies can be indemnified.

The Contract, submitted for approval, provides for liability insurance of insured parties (members of the Supervisory Board and officials of the Bank, as well as those of subsidiaries of the Bank) with regard to compensation of losses and expenses in case of a lawsuit filed in connection with the exercise of their powers.

Limit of Liability – RUB 4.6 bln.; Independent Director Excess Limit of Liability – RUB 150 mln.

Price of transactions (insurance premium) – RUB 50.4 mln.

Period of Insurance – till 30.06.2017.

The Policy is subject to retention.

The insurance company, the price of transactions (insurance premium) and other material terms of the Contract have been determined on the basis of the open tender held by the Bank.

The persons interested in the performance of insurance transactions by the Bank: the members of the Supervisory Board and the Executive Board of the Bank, as they are Beneficiaries (insured persons).

Since all members of the Supervisory Board of the Bank are the persons interested in the performance of the insurance transactions, the resolution on its approval (including the determination of their prices) must be adopted by the General Shareholders Meeting of the Bank in accordance with Clause 2 of Article 83 and paragraph 5 of Clause 1 of Article 77 of Federal Law No. 208-FZ dated 26.12.1995 On Joint Stock Companies.

The resolution on the approval of related party transactions shall be adopted by the General Shareholders Meeting of the Bank only on the proposal of the Supervisory Board.

The Supervisory Board on 12.04.2016 reviewed the terms of the Contract and proposed to Annual General Shareholders Meeting on 2015 results of the Bank to approve the Contract and its Endorsement as related party transactions.

Item № 9

Approval of the Amount of the Basic Remuneration of the Supervisory Board Members

Draft resolution on the item.

1. Approve the basic remuneration for the members of the Supervisory Board in the amount of RUB 5.9 mln.
2. Introduce the following amendments to the Regulations on Remuneration and Compensation Paid to the Members of the Supervisory Board:

a) Amend Par. 2.3 as follows:

“2.3. Members of the Supervisory Board, depending on their participation in the work of the Supervisory Board shall be paid the following kinds of additional remuneration:

- for performance of duties of a member of any committee of the Supervisory Board – in the amount of 20 % of the basic remuneration;
- for performance of duties of Chairman of any committee of the Supervisory Board and senior independent director – in the amount of 30 % of the basic remuneration;
- for performance of duties of the Chairman of the Supervisory Board – in the amount of 50% of the basic remuneration.”

b) The characters ‘30 %’ replace with ‘50 %’ in Par. 2.4.

c) Introduce Par. 2.8. with the following content:

“Remuneration to a Member of the Supervisory Board of the Bank for the current Pay period shall be calculated as the amounts of basic and additional remuneration fixed at the time of his/her election to the Supervisory Board of the Bank.”

Clarifying information on the item

The existing remuneration system for members of the Supervisory Board was approved by a resolution of the Annual General Shareholders Meeting of the Bank in 2013. This resolution established the basic remuneration for the members of the Supervisory Board in the amount of RUB4.2 million and approved the Regulations on Remuneration and Compensation paid to the Members of the Supervisory Board (hereinafter, the ‘Regulations’) establishing the order of payment of basic and additional remuneration and compensation of expenses.

The Regulations establish the following kinds of additional remuneration for the duties of:

- Member of a Supervisory Board committee – in the amount of 10% of the basic remuneration;
- Chairman of a Supervisory Board committee and senior independent director – in the amount of 20% of the basic remuneration;
- Chairman of the Supervisory Board – in the amount of 30% of the basic remuneration;

It is necessary to bring the amount of remuneration in line with the practices of comparable companies and banks, given the actual decrease of the remuneration of Supervisory Board members in real terms as a result of the instability of Rouble exchange rate, and the requirement to align the remuneration with the market, the nature and scale of the Bank’s operations, its performance, the level and combinations of the risks taken.

The Supervisory Board of the Bank on 12.04.2016 studied the question "Approval of the amount of the basic remuneration of the Supervisory Board members" and proposed to the Annual General Shareholders Meeting on 2015 results to approve the following resolution (version proposed by the HR and Remuneration Committee):

1. Approve the basic remuneration for the members of the Supervisory Board in the amount of RUB5.9 mln.

2. Introduce the following amendments to the Regulations on Remuneration and Compensation Paid to the Members of the Supervisory Board:

a) Amend Par. 2.3 as follows:

"2.3. Members of the Supervisory Board, depending on their participation in the work of the Supervisory Board shall be paid the following kinds of additional remuneration:

- for performance of duties of a member of any committee of the Supervisory Board – in the amount of 20 % of the basic remuneration;
- for performance of duties of Chairman of any committee of the Supervisory Board and senior independent director – in the amount of 30 % of the basic remuneration;
- for performance of duties of the Chairman of the Supervisory Board – in the amount of 50 % of the basic remuneration."

b) The characters '30 %' replace with '50 %' in Par. 2.4.

c) Introduce Par. 2.8. with the following content:

"Remuneration to a Member of the Supervisory Board of the Bank for the current Pay period shall be calculated as the amounts of basic and additional remuneration fixed at the time of his/her election to the Supervisory Board of the Bank."