

# Item 2. Distribution of the profit and payment of dividends for 2020

## Draft Resolution of the Meeting:

- 1)** Approve the Following Distribution of Sberbank's Net Profit for 2020 After Taxes in the Amount of RUB 709,891,879,066.73: Pay RUB 422,375,927,600.00 as Dividends; the Profit in the Amount of RUB 287,515,951,466.73 Shall Remain in Sberbank's Retained Earnings.
- 2)** Pay Dividends for 2020 on Sberbank's Ordinary Shares in the Amount of RUB 18.70 Per Share, and RUB 18.70 Per Share – on Sberbank's Preferred Shares.
- 3)** Approve 12 May 2021 as the Date on Which Persons Entitled to Dividends for 2020 Are Determined.

## Explanatory information on the item:

In accordance with Federal Law No. 208-FZ “On Joint-Stock Companies” dated 26 December 1995 and the Charter of the Bank, the agenda of the Annual General Meeting of Shareholders (hereinafter, the Meeting) must include items on profit distribution (including payment [declaration] of dividends) for the reporting year and the date on

which persons entitled to dividends are determined.

The decision to set such a date is made by the General Meeting of Shareholders based on the proposal of the Supervisory Board.

At its meeting on March 19, 2021 the Bank's Supervisory Board addressed the following matters: “On distribution of profits and recommendations on the amount of dividends payable for 2020” and “On the date on which persons entitled

to dividends are determined” and resolved as follows:

**with regard to profit distribution and the amount of dividends payable:**

- 1)** grant preliminary approval for Sberbank’s profit distribution and establish that the profit not paid as dividends for the year 2020 shall remain in Sberbank’s retained earnings.
- 2)** recommend the following amount of dividends payable for the year 2020: RUB 18.70 per share on Sberbank’s ordinary shares, and RUB 18.70 per share on Sberbank’s preferred shares.
- 3)** to submit the following resolutions for approv-

al by Sberbank’s annual General Meeting of Shareholders:

- approve the following distribution of Sberbank’s net profit for 2020 after taxes in the amount of RUB 709,891,879,066.73: pay RUB 422,375,927,600.00 as dividends; profit in the amount of RUB 287,515,951,466.73 shall remain in Sberbank’s retained earnings;
- pay dividends for 2020 on Sberbank’s ordinary shares in the amount of RUB 18.70 per share, and RUB 18.70 per share on Sberbank’s preferred shares;

**with regard to the date when persons eligible for dividends will be determined:**

propose to the annual General Meeting of Shareholders of Sberbank to approve setting May 12, 2021 as the date on which persons entitled to dividends for the year 2020 are determined.

In line with the Regulation on the Dividend Policy approved by the Supervisory Board (Minutes No. 36 dated November 10, 2020) (hereinafter, the Policy), Sberbank (hereinafter – the Bank) strives to maintain dividend payout ratio at 50% of the Group’s net

profit under IFRS<sup>1</sup>, adjusted for interest payments less the tax effect on equity instruments other than shares accounted for in the capital (hereinafter – Profit Adjustment for Dividend Calculation), subject to a number of conditions, which affect the dividend amount (including those related to maintaining the necessary capital adequacy ratio and, in particular, maintaining the Group’s target Common Equity Tier 1<sup>2</sup> (hereinafter – CET1) adequacy under IFRS at a minimum of 12.5% factoring in the systemic importance buffer of not more than 1.0% set by the Bank of Russia).

<sup>1</sup> International Financial Reporting Standards

<sup>2</sup> Common Equity Tier 1

The current CET1 stands at 13.8% as of the end of 2020, which is above the target level of 12.5%, and under the current assumptions of the 2021 business plan, the risk appetite limits approved by the Supervisory Board are being met for all capital adequacy ratios.

Sberbank Group's profit under IFRS for 2020 after tax (net profit) is RUB 760.3 bn, and the distributable profit adjusted for dividend calculation is RUB 756.1 bn.

The Bank's profit in 2020 after tax (net profit) under RAS amounts to RUB 709.9 bn.

In view of the above, the Supervisory Board resolved to recommend that the total

amount of dividend payments remain at last year's level, allocating 55.9% of the IFRS net profit for 2020 minus the profit adjustment for dividend calculation (RUB 422.4 bn in absolute terms) to the payment of dividends.

The above amount of allocations for dividend payment will make it possible to pay equal dividends on the Bank's ordinary and preferred shares for the year 2020 – at RUB 18.70 per share.

After deducting the amounts allocated for payment of dividends, the amount of retained earnings of the Bank under RAS for 2020 is RUB 287.5 bn, which will make it possible (considering funds retained during previous

years) to ensure the necessary growth of the Bank's assets in line with Sberbank's Strategy 2023.

Under the Federal Law 208-FZ "On Joint-Stock Companies" dated December 26, 1995, the period of dividend payment depends on the date on which the persons entitled to dividends are determined.

Such date may be established at least 10 days after the date on which the General Meeting of Shareholders resolves to pay (announce) dividends, and not later than 20 days from the date of such resolution.

The date for payment of dividends to nominee shareholders and trust managers registered in the sharehold-

ers' register shall not exceed 10 business days from the date on which the persons entitled to dividends are determined.

Payment of dividends to eligible persons registered in the shareholders' register shall be made not later than 25 business days from the date on which the persons entitled to dividends are determined.