Explanatory Information to Interim Accounting (Financial) Statements of Sberbank for the First Half of 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 and inalienable part of the interim accounting (financial) statements[1] of Sberbank [2] for the first half of 2015, prepared pursuant to the applicable laws of the Russian Federation[3];
- Provides for the disclosure of material information on Sberbank's operations that has not been presented as part of the forms of interim statements;
- Is based on statutory reporting forms[4], as well as other forms of the Bank, prepared under Russian Accounting Standards[5], and does not include the information from consolidated financial statements of Sberbank Group[6];
- Is presented in RUB millions, unless otherwise specified;
- Includes comparable figures for periods under review.

The interim statements of Sberbank include the 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; Cash flow Statement; and Explanatory Information. The interim statements are posted on the official website of Sberbank of Russia at www.sberbank.com.

[1] Hereinafter, the "interim statements"
[2] Hereinafter, the "Sberbank", the "Bank"
[3] Bank of Russia Directive No. 3081-U dated October 25, 2013 "On Disclosures by Credit Institutions Related to Their Operations"
[4] Bank of Russia Directive 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, the "RAS"
[6] Hereinafter, the "Group", the "Sberbank Group"

1. General Information

Full corporate name of the Bank: Sberbank of Russia Public Joint-stock Company
Short corporate name of the Bank: Sberbank
Registered address: 19 Vavilova St., Moscow, 117997 Russia.

2. Sberbank Banking Group

In the first half of 2015, the number of members of the banking group has changed by 1 and, as of July 1, 2015, was 220 companies.

	July 1, 2015	***January 1, 2015***
Number of members of the Group, including	220	221
Direct control	43	42
Indirect control	174	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 Group. As of July 1, 2015, the consolidated statements of Sberbank of Russia include the statements of 101 companies:

	Company name	***Share of control Groups***
	Direct control by the Bank	
1	Sberbank Leasing Closed 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	Public Joint-Stock Company Subsidiary Bank of Sberbank of Russia (group of companies)*	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	Perspektivnie Investitsii Limited Liability Company (group of companies)*	100.0000 %
9	SB International S.a.r.l. (group of companies)*	100.0000 %
10	Sberbank Europe AG (group of companies)*	100.0000 %
11	Sberbank Finance Limited Liability Company	100.0000 %
12	Cetelem Bank Limited Liability Company	79.2000 %
13	Denizbank Anonim Sirketi (group of companies)*	99.8526 %
14	Auktsion Limited Liability Company	100.0000 %
15	Sberbank Private Pension Fund Joint-Stock Company	75.0007 %
16	Sberbank Life Insurance Company Ltd.	100.0000 %
	Indirect control by the Bank	
1	Krasnaya Polyana Non-Public Joint-Stock Company	96.9140 %
2	Derways Automobile Limited Liability Company	51.0000 %
3	Kiparisiana Investment LTD	100.0000 %
4	Mosstroyvozrozhdeniye Open Joint-Stock Company	50.0000 %
5	SBK Holding Limited Liability Company	99.9999 %
6	Manzherok Mountain Skiing Complex Closed Joint-stock Company	85.2174 %
7	Sberbank (Switzerland) AG	99.2800 %
8	Private Limited Liability Company GeoProMining Investment (CYP) Limited	25.7418 %

** Companies that submit reports by subgroups (in aggregate, the subgroups have 83 companies, including parent companies).*

The remaining 119 companies have no material impact on financial indicators of the Bank.

Through its network of subsidiary banks and finance companies, the Bank is present in the markets of other countries:

- Through subsidiary banks: 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.
- Through financial companies: in the Republic of Kazakhstan, Ukraine, Ireland, the United States, the UK 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 finance companies provide services in accordance with their specialization.

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 its presence.

This Explanatory Information is included in the interim financial statements of Sberbank under RAS for the first half of 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, 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 into the Bank's securities, loans, bank card services, operations with precious metals, buying and selling foreign currencies, payments, transfers, custody of valuables etc.
- Operations on financial markets: securities, derivative financial instruments, foreign currency, etc.

The Bank operates under General License No. 1481 for Banking Operations, issued by the Bank of Russia on August 11, 2015. In addition, Sberbank has licenses for banking operations of attracting deposits and placing precious metals, other operations with precious metals, licenses of professional securities market participant for brokerage, dealer, depositary activities, as well as for securities management.

Sberbank has been a member of the deposit insurance system since January 11, 2005. Pursuant to Russian laws, the Bank makes quarterly insurance payments to the Fund of Mandatory Deposit Insurance. In the first half of 2015, the Bank incurred RUB 16.2 billion of expenses for deductions to this Fund, which exceeded the figure for the first half of 2014 by 8.3 % due to a higher volume of funds raised from individuals.

3.2. Key Performance Indicators for the first half of 2015

Sberbank has completed the first half of 2015 with the following economic figures[7]:

RUB million	***July 1, 2015***	***January 1, 2015***
Assets	20,067,964	21,746,760
Capital [8]	2,520,815	2,311,530

	the first half of 2015	***the first half of 2014***
Profit before taxes	106,465	239,886
Profits after taxes	81,583	186,416

The decrease in the assets of the Bank in the first half of 2015 was driven primarily by cash, loans to legal entities and banks, and financial assets carried at their fair value through profit or loss.

As of July 1, 2015, the ***capital*** amounted to RUB 2,521 billion, which is RUB 209 billion more compared to January 1, 2015.

In June 2014, the Bank raised a subordinated loan from the Bank of Russia in the amount of RUB 200 billion under the Federal Law No. 173-FZ[9] to finance its active operations. In March 2015, the terms for this subordinated loan and the subordinate loans previously raised from the

[7] Hereinafter, the figures provided in tables may differ from calculation data as a result of rounding

[8] The capital was calculated in accordance with Regulation No. 395-P "On Methods for Defining the Value and Assessing the Adequacy of Equity (Capital) of Credit Organizations (Basel III)" approved by the Bank of Russia on December 28, 2012 and valid as of the corresponding reporting date (hereinafter, the "Bank of Russia Regulation No. 395-P")

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

Bank of Russia totaling RUB 500 billion were changed pursuant to the amendments to Federal Law No. 173-FZ[9]. The Bank chose to accept the opportunity provided by the Federal Law to prolong these subordinated loans for 50 years at an annual rate of 6.5 % with an option of the Bank's extending the term of the contract without prior approval of the Bank of Russia and with a possibility of reconsidering the rate after December 31, 2019. In March 2015, the Bank of Russia permitted the Bank to include the above loans into the additional capital of the Bank starting from the statement as of April 1, 2015, which resulted in the increase of the Bank's capital by RUB 200 billion in the first half of 2015.

The capital dynamics have been also influenced by the bank's gradual transition to 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 the Bank of Russia, starting from 2014. These factors affect the capital in different directions.

Ratings assigned to Sberbank by international agencies:

	July 1, 2015*		***January 1, 2015***	
	Fitch Ratings	***Moody's***	***Fitch Ratings***	***Moody's***
Long-term foreign currency rating:				
Sberbank	BBB-	Ba2	BBB	Ba1
Russian Federation	BBB-	Ba1	BBB	Baa2
Rating of international obligations				
Loan participation notes issued as part of Sberbank's MTN program	BBB-	Ba1	BBB	Baa2
Eurobonds of the Russian Federation	BBB-	Ba1	BBB	Baa2

**In early 2015, Moody's and Fitch Ratings lowered the ratings of the Russian Federation, which resulted in Sberbank's downgrade.*

3.3. Factors affecting the Bank's financial results in the first half of 2015

The Bank conducts most of its operations within the Russian Federation. In the first half of 2015, GDP declined by 3.4 % [10]on an annualized basis. In the first quarter of 2015, GDP declined by 2.2 %[11] and, in the second quarter, the downturn deepened to 4.6 %[10] compared to the same periods in 2014. The deepening recession was largely caused by such factors as the reduction of investments in the second quarter of 2015 and the decline in household consumption. The investments decreased by 3.6 %[11] in the first quarter of 2015 and, in the second quarter, by 6.7 %[10] compared to same periods last year. In the second quarter of 2015, the retail sales decreased by 9.4 %[11] vs. 6.4 %[11] in the first quarter of 2015 compared to same periods of 2014. The deepening downturn in retail sales was caused by the accelerating fall of real disposable income from 1.3 %[10] in the first quarter of 2015 to 4.6 %[10] in the second quarter of 2015 compared to same periods of 2014, the shift of households to saving behavioral model and the virtual cessation of growth in retail lending (the growth slowed down to 0.8 %[12] in June 2015 compared to June 2014). The shift of households to saving behavioral model manifested in the growth of income share directed into savings, which in the first half of 2015 amounted to 14 %[11] vs. 7 %[11] in 2014 and typical 10 %[11] in a relatively stable period of 2011−2013. As a result, the growth rate of household deposits in June 2015 reached 17.8 %[12] compared to the same period of 2014.

[10] According to preliminary estimates from the Russian Federal State Statistics Service (Rosstat)
[11] According to Rosstat
[12] Estimated by the Bank of Russia, information under Russian Accounting Standards

In the first half of 2015, the industrial production index has decreased by 2.7 %[11] compared to the same period of 2014. In the first quarter of 2015, the industrial production declined by 0.4 %[11] and, in the second quarter, the decline was 4.9 % [11] compared to the same periods of 2014. In the first quarter of 2015, the industrial production was supported by an accelerated budget spending on national defense (in the first quarter of 2015, the defense spending reached 49.3 %[13] of the amount planned for the entire year of 2015) and by the start of the construction of the Power of Siberia gas pipeline. In the second quarter of 2015, the national defense spending slowed down significantly (14 %[13] of the amount planned for 2015). Weakening consumer demand also affected the decrease in the index of industrial production.

The decline in demand, as well as gradually decreasing impact of the ruble weakening and food embargo on prices, have been the main factors that contained the inflation in the second quarter of 2015. After reaching a peak in March 2015, when the inflation rose to 16.9 %[11] compared to the same month of 2014, by June 2015 it slowed down to 15.3 %[11]. The decline in inflation expectations and absence of monetary factors accelerating the inflation allowed the Bank of Russia to gradually lower its key rate by 5.5 percentage points down to 11.5 % in the first half of 2015.

In the second quarter of 2015, the capital outflow has slowed down to USD 20 billion.[12] As adjusted for the currencies provided as part of currency repos, currency swap transactions and for correspondent accounts of the resident banks in the Bank of the Russia, the net export of capital by banks and companies has slowed down to USD 15.3 billion.[12] The outflow was primarily provided by the banking sector, which reduced its external liabilities by USD 12.3 billion.[12]

The Russian banking sector finished the first half of 2015 with a profit of RUB 51.5 billion,[12] which reflects a nine-fold decrease compared to the same period of last year. Given the profits earned by the Bank, the rest of the Russian banking system registered a net loss. A substantial decrease in profit resulted, among other things, from the deterioration in the quality of the loan portfolio. In the first half of 2015, the share of overdue loans increased from 4.2 %[12] to 5.9 % [12] in the corporate portfolio and from 5.9 %[12] to 7.5 %[12] in the retail loan portfolio. The decline in the quality of their loan portfolio forces the banks to direct substantial amounts to creating the provisions (the net increase in provisions for possible losses amounted to RUB 571 billion[12] in the first half of 2015 vs. RUB 399 billion[12] in the first half of 2014).

In the second quarter of 2015, the ruble exchange rate demonstrated the multidirectional dynamics. By mid-May 2015, the Russian ruble strengthened by 18 % against the dollar and 15 % against the euro after regaining a significant part of its December weakening. After the Bank of Russia suspended the provision of its annual currency repos and started foreign currency buying interventions, the Russian national currency resumed its weakening. As a result, at the end of the second quarter of 2015, the ruble exchange rate has virtually not changed while strengthening by 5 % against the dollar and 3 % against the euro over the quarter.

In the absence of escalation of geopolitical tensions and revisions of sovereign ratings, the situation on the financial markets remained relatively calm in the second quarter of 2015. The MICEX index increased by 2 %, while RTS index rose by 7 %. Since the beginning of 2015, the MICEX index increased by 19 %, while RTS index rose by 19 %. In the second quarter of 2015, the ruble-denomination capitalization of the Bank increased by 15 % and, for the six months of 2015, by 32 %.

3.4. Resolutions on Distribution of Net Profits

On May 29, 2015, the General Shareholders' Meeting approved the recommendations of the Supervisory Board on the distribution of profits and payment of dividends for 2014. The Meeting adopted the resolutions to:

[13] According to preliminary data from the Treasury of Russia

- Approve distribution of profits for 2014. The profits not directed to the payment of dividends for 2014 will be held as retained earnings of Sberbank.
- Pay dividends for 2014 on the ordinary shares in the amount of 0.45 rubles per share and, on the preferred shares, in the amount of 0.45 rubles per share.
- Establish June 15, 2015 as the record date to determine the persons entitled to receive the dividends.

The Minutes of the Annual General Shareholders' Meeting are posted on the website of Sberbank at www.sberbank.com.

4. Overview of the Basics of Preparing Interim 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 records of the Bank are maintained in accordance with the Russian laws, Bank of Russia Regulation No. 385-P[14], and other regulatory acts of the Bank of Russia governing the activities of the Bank.

The accounting system of the Bank and preparation of interim statements are based on fundamental principles of business continuity, recognition of income and expenses on an accrual basis, consistency and comparability of applied accounting principles and rules, prudence, timely recognition of transactions, separate recognition of assets and liabilities, continuity of the balance sheet, priority of substance over form and openness.

According to Bank of Russia Regulation No. 385-P, the assets and liabilities are recorded at their initial value as of the date of their acquisition or incurrence. The initial value will not change until their write-off, sale or repurchase, unless otherwise provided by the laws of the Russian Federation and regulatory acts of the Bank of Russia. In this case:

- 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 non-resident entities for business transactions) and precious metals are revalued as the exchange rate and the metal price change in accordance with the regulations of the 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 interim statements:

	July 1, 2015	*January 1, 2015*
RUB / USD	55.5240	56.2584
RUB / EUR	61.5206	68.3427

- Assets, claims and liabilities, the specific amount (value) of which is determined by using non-detachable embedded derivatives (NDED) are revalued (recalculated) on a daily basis with recognition of the resulting differences for respective income / expenditure 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;
- 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 the 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) cost. Moreover, fixed assets are regularly revalued, so that the cost under which they appear in the accounting records and financial statements would not differ materially from the current (replacement) cost;
- The immovable property temporarily unused in core activities, after its initial recognition, 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 of 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 (coupon)

[14] Bank of Russia Regulation No. 385-P "On the rules of accounting by credit institutions located within the Russian Federation", dated July 16, 2012.

income paid upon its acquisition. If securities are acquired under a contract that is a derivative financial instrument (hereinafter, 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 will be 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 occurred due to no fault of the Bank (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 "held to maturity" portfolio to "available for sale" portfolio without meeting one of the conditions mentioned above, all the securities in "held to maturity" portfolio are subject to transfer to "available for sale" portfolio. In this case, the Bank is not permitted to create "held to maturity" portfolio for a period of two years following the year of such transfer;
- Derivative financial instruments are carried at fair value from the initial recognition date. The derivative financial instruments are revalued on a daily basis, including on the date of derecognition of a derivative financial instrument;
- Non-credit contingent liabilities are recognized in the accounting records based on materiality criterion: the amounts of non-credit contingent liabilities exceeding RUB 30 million or USD 1 million or EUR 1 million shall be recognized as material to record them in off-balance sheet account for non-credit contingent liabilities;
- according to Bank of Russia Regulation No. 385-P, the income and expenses are recognized in the accounting records by using the "accrual" method, that is, 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 are reflected in the accounts in the period to which they relate.

  Income from loans, assets (claims) referred to quality categories I and II is considered well-defined (probability of obtaining this income is absolute and / or high). There is no ambiguity in obtaining income from loans and assets (claims) referred to quality category III. This principle applies to all loans, assets (claims) attributed to the 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 the 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 performs a monthly accrual of depreciation for fixed asset items and intangible assets. For items of fixed assets accepted to accounting after January 1, 2003, the depreciation rates are calculated based on their useful lives established by Decree No. 1 of the Government of the Russian Federation "On classification of fixed assets included in

depreciation groups", dated January 1, 2002, and subject to provisions of the "Accounting Policy of Sberbank for Tax Purposes" as it pertains to defining the useful life of depreciated 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 uses a number of assumptions and estimates that affect the amounts of assets and liabilities reported in the interim statements, as well as the value of assets and liabilities in the next reporting period. The estimates and assumptions are continually analyzed based on 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, loan debt and its equivalent

The Bank forms provisions for possible losses on loans, loan debt and its equivalent in accordance with the requirements of Bank of Russia Regulation No. 254-P[15].

The Bank uses the valuation of loans on portfolio and individual basis.

The valuation of the loan classified on an individual basis and determination of the amount of estimated provision are based on professional judgment for a particular loan established following a comprehensive analysis of the borrower by taking into account its financial position, debt service quality and other material factors. For individual loans, the credit risk factors affecting the amount of provisions are monitored on a permanent basis to ensure the timely classification (reclassification) of loans and to establish (specify the amount of) the provision. 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 portfolios of homogeneous loans include loans with similar credit risk characteristics, such as the loans provided to natural persons and small businesses on standard terms defined in the regulatory documents of the Bank, and under the individual lending schemes approved by individual resolutions by the collective bodies of the Bank. The Bank does not monitor individually the credit risk factors for each loan included in the portfolio of homogeneous loans. Each of the loans included in the portfolio of similar loans shall be subjected 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 / sub-portfolios of homogeneous loans / groups of standard and impaired loans is analyzed no less than once in three months.

Provisions for possible losses

The Bank establishes provisions for possible losses in accordance with the requirements of Bank of Russia Regulation No. 283-P[16]. As part of implementing the regulator's requirements, the

[15] Bank of Russia Regulation No. 254-P "On procedure of establishing provisions for possible losses on loans, loan debt and its equivalents by credit institutions", dated March 26, 2004.

[16] Bank of Russia Regulation No. 283-P of March 20, 2006, "On procedure of creating provisions for possible losses by credit institutions (hereafter, the “Bank of Russia Regulation No. 283-P”).

regulatory documents of the Bank provide for individual classification of items included in the calculation base of the provision for possible losses and their inclusion in the portfolio of homogeneous assets / contingent liabilities.

Individual classification of an item involves preparing an individual professional judgment about the level of risk, based on the evaluation of probability of the total loss of item, and taking into account the factors (circumstances) defined by Bank of Russia Regulation No. 283-P.

The inclusion of the items, provided in the base of provision for possible losses, in the portfolio of homogeneous claims / contingent liabilities is carried out under the principle of non-materiality of the items' amount without making a professional judgment on each item individually. The provision is created based on professional judgment about the portfolio of similar claims / contingent liabilities.

The amount of provision is determined by one of the five quality categories and required provisioning standards within the range established for such quality category in accordance with Bank of Russia Regulation No. 283-P.

Tax Laws

The current tax, currency and customs laws of the Russian Federation allow different interpretations and are subject to frequent changes. In view of this, the interpretation by the Bank's management of such laws as applied to transactions and activities of the Bank may be challenged by the relevant government authorities. Subsequently, the tax authorities may file claims against the Bank's operations and transactions, which were not challenged in the past. As a result, the relevant authorities may charge additional taxes, penalties and fines.

According to the management, as of June 30, 2015, the relevant provisions of the legislation had been correctly interpreted.

The methodology of complying with the legislation on transfer pricing that was applied to the related-party transactions completed by the Bank over the first half of 2015, was approved by the Bank and is effective since 2012. In some related-party transactions, the deviation of actual price from market level for tax purposes may result in the occurrence of extra tax liabilities, because of the Bank's independent adjustments of the tax base, provided that the sum of such liabilities related to the first half of 2015 shall not have a material influence on the figures in the statements of the Bank.

Federal Law No. 376-FZ of November 24, 2014 added to the legislation on taxes and levies of the Russian Federation the provisions that introduce the concept of "controlled foreign company", as well as the rules for taxation of the profits of controlled foreign companies in the Russian Federation. In general, the adoption of this law is connected to the increasing administrative and, in some cases, tax load on the Russian taxpayers owning foreign subsidiaries.

Sberbank of Russia Group operates in many foreign jurisdictions and, in particular, has subsidiaries and banks in Belarus, Ukraine, Kazakhstan, Turkey, Switzerland, Austria, Hungary, Croatia, Slovenia, Serbia, Slovakia, Czech Republic, Bosnia and Herzegovina, etc.

At this point, we cannot estimate with a reasonable accuracy the effect on the amount of tax obligations of Sberbank of Russia Group related to the enactment of Law No. 376-FZ. The profits of foreign subsidiaries located in the countries, which have effective international treaties on the issues of taxation with the Russian Federation and share the information with the Russian Federation for the purposes of taxation, are not subject to taxation in Russia. At the same time, there is no actual impact of Law No. 376-FZ on the financial results of the Group for the first half of 2015, given that the additional tax obligations, caused by the introduction of the Law (if any), will be reflected in the subsequent tax periods.

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 fair value of financial instruments is calculated

by the Bank based on available market information, if any, and appropriate valuation techniques. The fair value of financial instruments that are not quoted in an active market is determined by using the valuation techniques. The management uses all available market information to estimate the fair value of financial instruments.

4.3. Changes in Accounting Policy. Adjustments related to changes in Accounting Policy and estimates affecting the comparability of performance indicators

The Accounting Policy used by the Bank in the first half of 2015 is generally comparable to the Accounting Policy used in 2014. The changes in the Accounting Policy for the year 2015 are caused by the amendments to the Bank of Russia regulatory documents on the accounting procedures, and have had no material effect on the comparability of individual indicators in the interim statements.

In connection with the enactment of Bank of Russia Letter No. 215-T of December 22, 2014, on methodological recommendations "On the Accounting of REPO Contracts", there are changes in the accounting of operations with securities obtained under the repo contracts and transferred under other repo contracts. In accordance with the new methodological recommendations, the requirements for the delivery of securities, obtained under one repo contract and transferred under another repo contract, are recorded in the off-balance sheet account 91419. In the statements as of January 1, 2015, the amount of assets and liabilities, recorded in the balance sheet accounts and related to the transfer of securities obtained under the repo contracts, amounted to RUB 144.7 billion.

4.4. Material Errors in Interim Statements

In accordance with the Accounting Policy of the Bank, an error is deemed material when such error, individually or in combination with other errors made in the same reporting period, has an impact on the financial results of the Bank in the amount equivalent to no less than 1 % of the capital of the Bank at the reporting date.

In the first half of 2015, no material error that would require adjustment to comparative data has been identified.

5. Accompanying Information to the Balance Sheet

5.1. Cash and Cash Equivalents

RUB million	***July 1, 2015***	***January 1, 2015***
Cash	584,465	1,240,712
Cash on accounts with the Bank of Russia	338,251	227,154
Funds on correspondent accounts with credit institutions of the Russian Federation	9,174	35,826
Funds on correspondent accounts with foreign banks	431,910	320,661
Total cash and cash equivalents	**1,363,800**	**1,824,353**
Less funds in credit institutions with risk of loss	-2,031	-1,631
Total cash and cash equivalents net of funds in credit institutions with risk of loss	**1,361,769**	**1,822,722**

Information on changing the provision for possible losses from funds on correspondent accounts in credit institutions:

RUB million	***the first half of 2015***	***the first half of 2014***
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	-68	65
The provision for possible losses from funds on correspondent accounts in credit institutions as of the end of the period	- 642	- 336

5.2. Financial assets carried at fair value through profit or loss

The tables below present the structure of financial assets, carried at fair value through profit or loss, broken down by types of financial assets:

RUB million	***July 1, 2015***	***January 1, 2015***
Total debt and equity securities, including:	**27,369**	**165,835**
Bonds and Eurobonds of the banks	20,654	62,388
Russian credit institutions	20,654	62,388
Russian Government Bonds	5,139	4,816
Federal Loan Bonds (OFZ)	5,139	461
Eurobonds of the Russian Federation	-	4,355
Corporate bonds	1,430	41,490
Russian entities	1,401	41,478
Foreign companies	29	12
Eurobonds issued by foreign governments	121	124
Bonds of subjects of the Russian Federation	25	458
Shares	-	56,559
Oil and gas industry	-	55,518
Metallurgy	-	991
Financial services	-	50
Total derivative financial instruments[17], including:	**401,406**	**659,853**
Swaps	235,870	297,448
Foreign currency and interest rate (currency and interest)	183,060	191,856
Interest rates	24,382	25,895
Foreign currency	21,224	65,073
Securities	6,064	13,266
Precious metals	1,140	1,358
Option	137,250	269,717
Foreign currency	109,186	220,158
Precious metals	3,234	3,941
Derivative financial instruments	186	293
Securities	47	5
Other	24,597	45,320
Forward	28,286	92,688
Foreign currency	28,018	92,368
Precious metals	45	62
Securities	23	-
Other	200	258
Total investments in financial assets carried at their fair value through profit or loss	**428,775**	**825,688**

[17] According to the data from the Reporting Form 0409155 "Information on contingent liabilities of credit nature and derivative financial instruments"

July 1, 2015

RUB million	***Investments***	***Redemption period***	***Coupon rate***
Bonds and Eurobonds issued by the banks	20,654		
Russian credit institutions	20,654	9/18/15−09/29/23	3.35 %−16.00 %
Russian Government Bonds	5,139		
Federal Loan Bonds (OFZ)	5,139	1/29/2020	11.12 %
Corporate bonds	1,430		
Russian entities	1,401		
Banking	1,219	2/13/2017−3/18/2021	4.22 %−7.90 %
Oil and gas industry	101	6/20/2018	8.40 %
Trade	42	5/4/2020	7.00 %
Services	23	4/2/2021−5/13/2031	8.60 %−8.75 %
Energy	16	4/12/2021−9/14/2027	8.00 %−8.60 %
Foreign companies	29	11/24/2021−8/11/2023	9.75 %−10.25 %
Eurobonds issued by foreign governments	121	9/26/2016	7.00 %
Bonds of subjects of the Russian Federation	25	11/09/17−12/19/17	8.60 %−8.95 %
Total investments in debt obligations carried at fair value through profit or loss	**27,369**		
Including those transferred without derecognition under sale and repurchase agreements:	4,767	1/29/2020	11.12 %

January 1, 2015

RUB million	***Investments***	***Redemption period***	***Coupon rate***
Bonds and Eurobonds issued by the banks	62,388		
Russian credit institutions	62,388	3/4/2015−8/30/2029	3.35 %−13.50 %
Corporate bonds	41,490		
Russian entities	41,478		
Telecommunications	10,139	10/13/2015−5/7/2024	5.00 %−12.00 %
Oil and gas industry	7,737	11/22/2016−9/19/2022	3.15 %−9.25 %
Banking	7,481	7/15/2016−2/17/2032	4.22 %−12.00 %
Services	7,083	10/1/2015−5/13/2031	5.13 %−10.75 %
Transport, aviation and space industry	4,470	11/18/2015−3/25/2031	5.74 %−7.80 %
Metallurgy	2,535	6/18/2015−7/20/2023	4.38 %−8.95 %
Trade	1,315	2/3/2016−12/13/2022	4.42 %−7.00 %
Energy	455	3/13/2019−1/7/2028	7.75 %−8.75 %
Chemical industry	205	4/30/2018	3.72 %
Machinery	58	9/26/2018	7.63 %
Foreign companies	12	8/11/2023	10.25 %
Russian Government Bonds	4,816		
Eurobonds of the Russian Federation	4,355	04/04/22−04/04/42	4.50%−7.50%
Federal Loan Bonds (OFZ)	461	04/19/17	7.40%
Bonds of subjects of the Russian Federation	458	01/06/16−09/24/19	7.00%−10.75%
Eurobonds issued by foreign governments	124	9/26/2016	7.00 %
Total investments in debt obligations carried at their fair value through profit or loss	**109,276**		
Including those transferred without derecognition under sale and repurchase agreements:	149	3/7/2022−4/4/2022	4.50 %−6.51 %

As of July 1, 2015, 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.

Financial derivatives

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. In order 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 options, such as spot and forward foreign exchange rates, interest rate and volatility curves.

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 at the models containing only observable market data, as well as at the 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 geographical 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 non-residents operating within the Russian Federation:

RUB million	***July 1, 2015***	***share, %***	***January 1, 2015***	***share, %***
Corporate loans receivable and their equivalent	10,882,284	67.7 %	11,648,210	69.8 %
Retail loans receivable and their equivalent	4,045,367	25.1 %	4,069,937	24.4 %
Interbank loans and other loans receivable from banks	1,157,430	7.2 %	972,436	5.8 %
Loan debts prior to deduction of provisions for possible losses	**16,085,081**	**100 %**	**16,690,583**	**100 %**
Provisions for possible losses	-899,269		-801,204	
Net loans receivable	**15,185,813**		**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:

RUB million	***July 1, 2015***	***share, %***	***January 1, 2015***	***share, %***
Individuals	4,045,367	27.1 %	4,069,937	25.9 %
Services	3,250,699	21.8 %	3,392,872	21.6 %
Trade	1,556,764	10.4 %	1,632,122	10.4 %
Energy	845,917	5.7 %	803,968	5.1 %
Food industry and agriculture	736,377	4.9 %	786,592	5.0 %
State and municipal agencies of the Russian Federation	715,053	4.8 %	797,689	5.1 %
Machinery	713,539	4.8 %	803,478	5.1 %
Metallurgy	636,520	4.3 %	671,533	4.3 %
Telecommunications	477,503	3.2 %	470,860	3.0 %
Construction	450,915	3.0 %	496,602	3.2 %
Chemical industry	431,544	2.9 %	453,652	2.9 %
Transport, aviation and space industry	359,306	2.4 %	393,398	2.5 %
Oil and gas industry	321,821	2.2 %	307,121	1.9 %
Woodworking industry	50,581	0.3 %	53,861	0.3 %
Others	335,746	2.2 %	584,462	3.7 %
Total retail and corporate loans prior to deduction of provisions for possible losses	**14,927,651**	**100.0 %**	**15,718,147**	**100.0 %**

The table below provides the analysis of corporate loans (excluding loans to banks) by lending purposes:

RUB million	***July 1, 2015***	***share, %***	***January 1, 2015***	***share, %***
Financing of operating activities	6,614,091	60.7 %	7,107,485	61.0 %
Investment lending and project financing	4,232,036	38.9 %	4,402,373	37.8 %
Lending as part of REPO transactions	28,254	0.3 %	129,338	1.1 %
Receivables on financial assets assigned under cession agreements	7,903	0.1 %	9,014	0.1 %
Total corporate loans prior to deduction of provisions for possible losses	**10,882,284**	**100 %**	**11,648,210**	**100 %**

The table below provides the analysis of retail loans by lending purposes:

RUB million	***July 1, 2015***	***share, %***	***January 1, 2015***	***share, %***
Mortgage loans	2,034,500	50.3 %	1,918,240	47.1 %
Consumer loans	1,965,817	48.6 %	2,088,949	51.3 %
Car loans	45,050	1.1 %	62,748	1.6 %
Total retail loans before provisions for possible losses	**4,045,367**	**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:

RUB million	***the first half of 2015***	***the first half of 2014***
Total gross provision charge for possible losses from loans, loans receivable and their equivalent in the reporting period	350,537	250,317
including as a result of:		
Loans issued	100,568	77,844
Changes in loan quality	228,807	150,319
Changes in the official foreign currency exchange rate against the ruble set by the Bank of Russia	19	896
Other reasons	21,144	21,259

Gross provision recovery for possible losses from loans, loans receivable and their equivalents in the reporting period, total	250,636	163,688
including as a result of:		
Write-off of bad loans	17,145	20,119
Repayment of loans	111,519	104,404
Changes in loan quality	107,820	30,071
Changes in the official foreign currency exchange rate against the ruble set by the Bank of Russia	1,021	-
Other reasons	13,131	9,094

5.4.Net investments in securities and other financial assets available for sale

Structure of net investments in securities and other financial assets available for sale:

RUB million	***July 1, 2015***	***January 1, 2015***
Russian Government Bonds	803,698	796,023
Federal Loan Bonds (OFZ)	655,895	629,399
Eurobonds of the Russian Federation	147,803	166,624
Investments in subsidiaries and affiliates	451,374	386,383
Provision	-8,813	-543
Corporate bonds	402,082	442,729
Russian entities	380,264	421,251
Provision	-28	-28
Foreign companies	21,846	21,506
Bonds and Eurobonds issued by the banks	54,243	43,638
Russian credit institutions	44,173	33,348
Foreign credit institutions	10,070	10,290
Bonds of subjects of the Russian Federation	47,131	45,878
Shares	24,116	30,989
Services	19,422	17,452
Provision	-1,529	-1,532
Banking	19	16
Metallurgy	6	5
Provision	-3	-
Energy	0	1,728
Oil and gas industry	-	7,082
Others	6,201	6,238
Eurobonds issued by foreign governments	239	349
Operations of other interest	86	85
Provision	-41	-41
Total securities available for sale	**1,774,115**	**1,745,490**

July 1, 2015

RUB million	***Amount of investments***	***Redemption period***	***Coupon rate***
Russian Government Bonds	803,698		
Federal Loan Bonds (OFZ)	655,895	7/15/2015−2/6/1936	2.01 %−10.74 %
Eurobonds of the Russian Federation	147,803	4/4/2017−9/16/2043	3.25 %−12.75 %
Corporate bonds	402,082		
Russian entities	380,236		
Oil and gas industry	99,129	2/2/2016−9/20/2044	3.15 %−16.00 %
Banking	62,120	7/15/2016−9/23/2032	3.04 %−15.50 %
Services	50,460	7/24/2013−3/1/2033	3.42 %−12.50 %
Provision	-28		
Transport, aviation and space industry	46,492	7/10/2015−11/7/2028	3.37 %−9.25 %
Telecommunications	42,311	10/13/2015−5/30/2023	5.00 %−8.75 %
Metallurgy	29,416	2/25/2016−11/25/2022	4.38 %−8.70 %
Energy	26,901	10/28/2015−10/6/2027	7.88 %−8.75 %
Trade	15,744	10/12/2015−12/13/2022	4.42 %−8.85 %
Chemical industry	6,564	10/13/2015−5/18/2021	3.72 %−13.60 %
Machinery	1,127	9/28/2023	8.10 %
Foreign companies	21,846		

July 1, 2015

RUB million	***Amount of investments***	***Redemption period***	***Coupon rate***
Services	15,264	9/23/2015	8.00 %
Banking	6,582	2/12/2016−5/24/2021	7.65 %−15.50 %
Bonds and Eurobonds issued by the banks	54,243		
Russian credit institutions	44,173	08/31/15−11/13/29	3.35%−14.75%
Foreign credit institutions	10,070	11/02/15	8.50%
Bonds of subjects of the Russian Federation	47,131	10/07/15−06/11/22	5.06%−11.50%
Eurobonds issued by foreign governments	239	7/30/2015−12/3/2015	7.73 %−7.93 %
Total debt securities available for sale	**1,307,393**		
Including those transferred without derecognition under sale and repurchase agreements:	205,639	7/10/2015−9/16/2043	2.01 %−16.00 %

January 1, 2015

RUB million	***Amount of investments***	***Redemption period***	***Coupon rate***
Russian Government Bonds	796,023		
Federal Loan Bonds (OFZ)	629,399	06/03/15−02/06/36	2.01%−10.00%
Eurobonds of the Russian Federation	166,624	4/29/2015−9/16/2043	3.25 %−12.75 %
Corporate bonds	442,729		
Russian entities	421,223		
Oil and gas industry	111,107	2/2/2015−9/20/2044	3.15 %−11.25 %
Telecommunications	61,952	10/13/2015−5/7/2024	5.00 %−9.45 %
Banking	58,078	7/15/2016−9/23/2032	3.04 %−8.55 %
Transport, aviation and space industry	54,951	3/3/2015−11/7/2028	3.37 %−10.00 %
Services	53,230	7/24/2013−3/1/2033	3.42 %−11.50 %
Provision	-28		
Metallurgy	34,864	6/18/2015−11/25/2022	4.38 %−8.95 %
Energy	25,522	10/21/2015−10/6/2027	7.88 %−8.75 %
Trade	14,388	10/12/2015−12/13/2022	4.42 %−8.85 %
Chemical industry	6,040	10/13/2015−5/18/2021	3.72 %−10.25 %
Machinery	1,119	9/28/2023	8.10 %
Foreign companies	21,506		
Services	14,876	9/23/2015	8.00 %
Banking	6,630	2/12/2016−5/24/2021	7.65 %−11.09 %
Bonds of subjects of the Russian Federation	45,878	06/18/15−06/11/22	5.06 %−12.00 %
Bonds and Eurobonds issued by the banks	43,638	-	-
Russian credit institutions	33,348	02/01/15−11/13/29	4.25 %−13.25 %
Foreign credit institutions	10,290	11/02/15	8.50 %
Eurobonds issued by foreign governments	349	1/1/2015−4/2/2015	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	2/1/2015−9/16/2043	3.04 %−12.75 %

As of July 1, 2015, 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:

RUB million	***the first half of 2015***	***the first half of 2014***
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	+78
Provision for possible losses on securities available for sale, as of the end of the period	- 1,561	- 1,560

RUB million	***the first half of 2015***	***the first half of 2014***

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 affiliates and operations of other interest	- 8,270	0
Provision for possible losses on investments in subsidiaries and affiliates and operations of other interest, as of the end of the period	- 8,854	- 43

5.5. Investments in Subsidiaries and Affiliates

RUB million	*July 1, 2015*		*January 1, 2015*	
	Amount of investments	***Stake of the Bank in capital, %***	***Amount of investments***	***Stake of the Bank in capital, %***
Subsidiaries				
Denizbank Anonim Sirketi	119,544	99.9	119,544	99.9
Sberbank Europe AG	67,094	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
Perspektivnie Investitsii LLC	38,000	100.0	33,000	100.0
Provision	-7,980		-	
Subsidiary Bank of Sberbank of Russia PJSC	17,793	100.0	17,793	100.0
Provision	-43		-	
Auktsion LLC	17,533	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
SB Luxembourg S.a.r.l.	8,509	100.0	8,509	100.0
Provision	-483		-237	
Sberbank Investments LLC	7,057	100.0	7,057	100.0
Universal Electronic Card OJSC	3,342	89.0	2,488	72.3
Provision	-33		-25	
Bylinnye Bogatyri LLC	2,038	100.0	2,038	100.0
Provision	-5		-	
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
Closed Joint-Stock Company Sberbank Private Pension Fund	690	75.0	690	75.0
Sberbank Insurance IC LLC	370	100.0	170	100.0
Sberbank Leasing CJSC	23	100.0	23	100.0
Other subsidiaries	4,455	50.0–100.0	3,907	50.0–100.0
Provision	-267		-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	164	50.0	164	50.0
Provision	-2		-	
Total investments in subsidiaries, dependent entities and other participation	**442,561**		**385,839**	

5.6. Net Investments in Securities Held to Maturity

Structure of net investments in securities held to maturity:

RUB million	***July 1, 2015***	***January 1, 2015***
Russian Government Bonds	187,372	187,906
Federal Loan Bonds (OFZ)	163,020	162,833
Eurobonds of the Russian Federation	24,352	25,073
Corporate bonds	133,494	138,685
Russian entities	111,149	115,051
Provision	-1,476	-442
Foreign companies	25,435	25,655
Provision	-1,614	-1,579
Bonds of subjects of the Russian Federation	24,121	39,883
Total securities held to maturity	**344,987**	**366,474**

July 1, 2015

RUB million	***Investments***	***Redemption period***	***Coupon rate***	***Coupon income***
Russian Government Bonds	187,372			5,982
Federal Loan Bonds (OFZ)	163,020	8/3/2016−1/9/2019	5.50 %−10.74 %	5,389
Eurobonds of the Russian Federation	24,352	7/24/2018−6/24/2028	11.00 %−12.75 %	593
Corporate bonds	133,494			5,453
Russian entities	109,673			4,351
Services	29,057	6/2/2016−12/28/2046	5.63 %−14.50 %	1,185
Provision	-546			
Machinery	27,363	9/26/2018−7/9/2020	7.63 %−17.75 %	1,097
Energy	23,509	10/28/2015−6/22/2021	7.50 %−8.70 %	923
Provision	-48			
Metallurgy	10,667	3/19/2018−10/28/2020	4.45 %−5.55 %	266
Oil and gas industry	10,329	2/2/2016−1/26/2021	8.40 %−8.90 %	427
Telecommunications	7,583	11/7/2017−11/3/2020	8.15 %−8.70 %	311
Transport, aviation and space industry	2,138	12/20/2016−1/13/2017	11.00 %−12.50 %	120
Provision	-852			
Trade	502	6/1/2021	8.85 %	22
Provision	-30			
Foreign companies	23,821			1,102
Services	7,792	11/28/2017−2/14/2018	8.75 %−10.50 %	381
Provision	-1,558			
Metallurgy	5,604	5/7/2018	6.38 %	181
Provision	-56			
Others	12,039	12/13/2018−8/11/2023	6.25 %−10.25 %	540
Bonds of subjects of the Russian Federation	24,121	8/9/2015−4/8/2020	7.00 %−13.06 %	1,151
Total debt securities held to maturity	**344,987**			12,586
Including those transferred without derecognition under sale and repurchase agreements:	80,269	8/9/2015−6/24/2028	7.40 %−12.75 %	2,907

	January 1, 2015			
RUB million	***Investments***	***Redemption period***	***Coupon rate***	***Coupon income***
Russian Government Bonds	187,906			11,410
Federal Loan Bonds (OFZ)	162,833	8/3/2016−1/9/2019	5.50 %−8.94 %	10,851
Eurobonds of the Russian Federation	25,073	7/24/2018−6/24/2028	11.00 %−12.75 %	559
Corporate bonds	138,685			9,829
Russian entities	114,609			8,296
Services	29,215	6/2/2016−12/28/2046	5.70 %−11.50 %	1,981
Machinery	27,352	9/26/2018−7/9/2020	7.63 %−9.00 %	2,098
Energy	23,552	10/28/2015−6/22/2021	7.50 %−8.70 %	1,786
Provision	-47			
Metallurgy	14,374	3/19/2018−4/5/2021	4.45 %−8.50 %	656
Provision	-356			
Oil and gas industry	10,332	2/2/2016−1/26/2021	8.40 %−8.90 %	862
Telecommunications	7,585	11/7/2017−11/3/2020	8.15 %−8.70 %	628
Transport, aviation and space industry	2,138	12/20/2016−1/13/2017	11.00 %−12.50 %	241
Provision	-9			
Trade	503	6/1/2021	8.85 %	44
Provision	-30			
Foreign companies	24,076			1,533
Services	7,895	11/28/2017−2/14/2018	8.75 %−10.50 %	275
Provision	-1,579			
Metallurgy	5,679	5/7/2018	6.38 %	245
Others	12,081	12/13/2018−8/11/2023	6.25 %−10.25 %	1,013
Bonds of subjects of the Russian Federation	39,883	06/24/2015−04/08/2020	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	6/24/2015−6/24/2028	4.45 %−12.75 %	21,306

Information on change in the provision for possible losses on securities held to maturity:

RUB million	***the first half of 2015***	***the first half of 2014***
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	-1,069	330
Provision for possible losses on securities held to maturity, as of the end of the period	-3,090	-1,930

In the first half of 2015, no securities were reclassified from the "available to sale" portfolio to the "held to maturity" portfolio.

5.7. Fixed assets, intangible assets and inventories

RUB million	*Immovable property of bank purpose*	*Other buildings*	*Office and computer equipment*	*Cars and other facilities*	*Construction in progress*	*Inventories*	*Immovable property and land temporarily unused in core activities*	*Intangible assets*	*Total*
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 at January 1, 2014	**298,647**	**322**	**92,336**	**8,326**	**32,870**	**23,028**	**3,285**	**9,256**	**468,070**
Acquisitions	1,673	0	8,170	267	9,680	13,871	150	960	34,771
Transfers	8,311	3	2,689	315	-12,413	1,080	15	0	0
Disposals – under initial or revaluation value	-2,608	-14	-5,252	-372	-2,874	-6,490	-249	-3	-17,862
Disposals – accumulated depreciation	3,074	1	2,053	150	0	0	0	0	5,278
Depreciation deductions	-5,551	-4	-16,373	-973	0	0	0	-547	-23,448
Residual value as of July 1, 2014	**303,546**	**308**	**83,623**	**7,713**	**27,263**	**31,489**	**3,201**	**9,666**	**466,809**
Initial or revaluation value at July 1, 2014	349,443	343	226,022	16,147	27,263	31,489	3,201	11,693	665,601
Accumulated depreciation	-45,897	-35	-142,399	-8,434	0	0	0	-2,027	-198,792
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 at January 1, 2015	**309,390**	**1,425**	**87,461**	**8,053**	**21,827**	**30,917**	**2,995**	**16,545**	**478,613**
Acquisitions	675	0	23,590	569	4,250	6,459	170	1,907	37,620
Transfers	1,157	-2	855	8	-2,501	-5	488	0	0
Disposals – under initial or revaluation value	-2,234	-49	-10,865	-328	-2,098	-5,435	-122	-752	-21,883
Disposals – accumulated depreciation	1,963	1	2,630	49	0	0	0	0	4,643
Depreciation deductions	-4,840	-18	-15,121	-894	0	0	0	-1,058	-21,931
Residual value as of July 1, 2015	**306,111**	**1,357**	**88,550**	**7,457**	**21,478**	**31,936**	**3,531**	**16,642**	**477,062**
Initial or revaluation value as of July 1, 2015	357,725	1,409	253,325	17,309	21,478	31,936	3,531	20,443	707,156
Accumulated depreciation	-51,614	-52	-164,775	-9,852	0	0	0	-3,801	-230,094

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 non-special. Special items were evaluated using primarily the cost approach, while in evaluating non-special items, the comparative approach was used. The evaluation was performed by PricewaterhouseCoopers Russia B.V.

5.8. Other assets

RUB million	***July 1, 2015***	***January 1, 2015***
Other financial assets		
Loan interest receivables	101,792	90,450
Settlements on conversion operations	56,642	124,399
Settlements on derivative financial instruments	20,598	26,322
Settlements on compensation payout operations on deposits of commercial banks	16,326	17,128
Settlements with commercial banks on banknote transactions	-	34,176
Settlements on forfeits	8,780	7,247
Settlements with other debtors	7,400	27,945
Amounts of the damage inflicted on the Bank	3,860	3,512
Accrued fee receivables	3,718	5,276
Other settlements	1,308	5,939
Incomplete plastic card settlements	793	26,450
Others	2,538	2,543
Total other financial assets	**223,755**	**371,387**
Other non-financial assets		
Future expenses	19,972	17,981
Advances issued	19,362	12,141
Non-current assets held for sale and assets of disposal group	14,480	15,116
Prepayment on other taxes	10,517	8,112
Payment receivables for commemorative coins, bought and sold	2,798	3,796
Precious metals	1,963	2,113
Others	3,803	5,228
Total other non-financial assets	**72,895**	**64,487**
Provision for impairment of other assets	**-33,199**	**-28,690**
Total other assets	**263,451**	**407,184**

Below is the information on the change in the provision for possible losses on other assets[18]:

RUB million	***the first half of 2015***	***the first half of 2014***
Provision for possible losses on other assets, as of the start of the period	-16,733	-17,898
Change in the provision for possible losses on other assets	-4,087	-2,299
Written off from the provision	1,385	1,739
Provision for possible losses on other assets, as of the end of the period	-19,435	-18,458

[18] Without taking into account the provisions for interest yield claims (information on these is provided with the provisions for loans in Section 5.3)

5.9. Due to credit institutions

RUB million	***July 1, 2015***	***January 1, 2015***
Direct repo contracts with banks	40,522	38,403
Correspondent accounts	108,303	142,529
Loans and deposits received from banks	257,868	537,075
including Syndicated loans	30,760	118,559
Overnight deposits	38,674	1,018
Obligations on repayment to creditor (to bank) of the borrowed securities	-	75,831
Total funds of banks	**445,367**	**794,856**

The cost of the securities pledged as collateral under direct repo as of July 1, 2015 amounted to RUB 45,854 million, as of January 1, 2015 – RUB 42,390 million.

Information about the conditions and periods for received syndicated loans is presented in the table below:

Issue	***Date of issue***	***Repayment date***	***Currency***	***Nominal value (in millions of currency units)***	***Contractual interest rate, %***	***Book value, RUB million***	
						July 1, 2015	***January 1, 2015***
Issue 4	2/15/2012	2/15/2017	EUR	500	3m EURIBOR+1.50 %	30,760	34,171
Issue 5	10/30/2012	10/30/2015	USD	1,500	3m LIBOR+1.50 %	-	84,388
Total syndicated loans:						**30,760**	**118,559**

5.10. Due to customers other than credit institutions

RUB million	***July 1, 2015***	***January 1, 2015***
Individuals and individual entrepreneurs	**8,493,294**	**7,999,052**
Current accounts / demand accounts	1,458,855	1,561,367
Fixed-term deposits	7,034,439	6,437,685
Other corporate customers	**5,577,823**	**5,893,843**
Current accounts / demand accounts	2,006,390	1,737,317
Fixed-term deposits	3,566,167	4,153,400
Obligations on repayment to creditor (non-bank) of the borrowed securities	5,266	3,126
Funds in precious metals	**116,938**	**133,829**
Due to individuals	113,092	128,855
Due to legal entities	3,846	4,974
Total due to customers	**14,188,055**	**14,026,724**

Analysis of customer deposits, broken down by types of economic activity, is presented in the table below:

RUB million	***July 1, 2015***	***share, %***	***January 1, 2015***	***share, %***
Individuals	8,424,008	59.4 %	7,932,046	56.6 %
Services	1,109,471	7.8 %	994,562	7.1 %
Oil and gas industry	1,046,132	7.4 %	934,919	6.7 %
Bonds in issue	836,741	5.9 %	856,382	6.1 %
Trade	490,598	3.5 %	522,210	3.7 %
Machinery	358,887	2.5 %	281,523	2.0 %
Transport, aviation and space industry	245,019	1.7 %	174,918	1.2 %
State and municipal agencies of the Russian Federation	222,952	1.6 %	736,274	5.2 %
Construction	200,416	1.4 %	266,559	1.9 %
Energy	183,063	1.3 %	164,114	1.2 %
Chemical industry	162,404	1.1 %	105,529	0.8 %
Metallurgy	125,377	0.9 %	201,161	1.4 %
Food industry and agriculture	114,736	0.8 %	111,665	0.8 %
Telecommunications	102,208	0.7 %	93,159	0.7 %
Woodworking industry	17,545	0.1 %	34,100	0.2 %
Others	548,498	3.9 %	617,603	4.4 %
Total due to customers	**14,188,055**	**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:

RUB million	***July 1, 2015***	***January 1, 2015***
Loan participation notes issued as part of MTN program:	836,741	856,382
Subordinated loans	222,096	225,034
Non-subordinated loans	614,645	631,348
Notes issued under the ECP program	1,815	15,720
Total other borrowings	**838,556**	**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*	
							July 1, 2015	*January 1, 2015*
Series 4[i]		7/7/2010	7/7/2015	USD	1,500	5.50 %	83,286	84,388
Series 5[ii]		9/24/2010	3/24/2017	USD	1,250	5.40 %	69,405	70,323
Series 6		11/12/2010	11/12/2014	CHF	400	3.50 %	-	-
Series 7		6/16/2011	6/16/2021	USD	1,000	5.72 %	55,524	56,258
Series 8[iii]		2/7/2012	2/7/2017	USD	1,300	4.95 %	72,181	73,136
Series 9[iv]		2/7/2012	2/7/2022	USD	1,500	6.13 %	83,286	84,388
Series 10		3/14/2012	9/14/2015	CHF	410	3.10 %	24,254	23,360
Series 11		6/28/2012	6/28/2019	USD	1,000	5.18 %	55,524	56,258
Series 12	subord.	10/29/2012	10/29/2022	USD	2,000	5.13 %	111,048	112,518
Series 13		1/31/2013	1/31/2016	RUB	25,000	7.00 %	25,000	25,000
Series 14		2/28/2013	2/28/2017	CHF	250	2.07 %	14,789	14,244
Series 15		3/4/2013	3/4/2018	TRY	550	7.40 %	11,352	13,350
Series 16	subord.	5/23/2013	5/23/2023	USD	1,000	5.25 %	55,524	56,258
Series 17	subord.	2/26/2014	2/26/2024	USD	1,000	5.50 %	55,524	56,258
Series 18[v]		3/6/2014	3/6/2019	USD	500	4.15 %	27,762	28,129
Series 19[v]		3/7/2014	3/7/2019	EUR	500	3.08 %	30,760	34,171
Series 20		6/26/2014	11/15/2019	EUR	1000	3.35 %	61,522	68,343
Total							**836,741**	**856,382**

[i] *Including the additional issue dated August 3, 2010 (USD 500 million)*
[ii] *Including the additional issue dated October 19, 2010 (USD 250 million)*
[iii] *Including the additional issue dated August 17, 2012 (USD 300 million)*
[iv] *Including the additional issue dated July 30, 2012 (USD 750 million)*
[v] *As part of non-public offering*

5.11. Issued debt obligations

	July 1, 2015		
RUB million	***Book value***	***Redemption period***	***Interest rate***
Savings certificates	524,516	on demand – 6/29/2018	0.1 %−18.0 %
Promissory notes	57,966	on demand – 1/30/2023	0.1 %−26.7 %
Certificates of deposit	1,276	on demand – 11/18/2016	8.08 %−10.15 %
Total issued debt securities	**583,758**		

	January 1, 2015		
RUB million	***Book value***	***Redemption period***	***Interest rate***
Savings certificates	439,382	on demand – 12/30/2017	0.1 %−18.0 %
Promissory notes	72,216	on demand – 5/13/2020	0.1 %−29.7 %
Certificates of deposit	1,804	on demand – 11/18/2016	9.03 %−12.5 %
Total issued debt securities	**513,402**		

As of July 1, 2015 and January 1, 2015, the Bank had no issued debt obligations that are overdue or restructured.

5.12. Other liabilities

RUB million	***July 1, 2015***	***January 1, 2015***
Other financial liabilities		
Interest payment liabilities	141,757	118,466
Settlements on operations with securities	27,431	17,400
Outstanding contributions to the deposit insurance agency	9,911	8,411
Amounts received on correspondent accounts before clarification	7,613	5,065
Settlements on conversion operations, derivatives and forward transactions	6,823	8,655
Plastic card settlements	6,705	447
Accrued staff cost	5,395	2,714
Securities supply obligations	1,577	848
Funds in settlements	970	306
Accounts payable	176	971
Settlements with currency and stock exchanges	-	29,766
Other settlements	3,431	2,766
Other financial	2,712	4,556
Total other financial liabilities	**214,501**	**200,371**
Other non-financial liabilities		
Provisions for future expenses	16,533	1,634
Operating taxes payable	6,916	7,856
Settlements for expenses of a non-capital nature	1,144	4,902
Settlements for expenses of a capital nature	869	1,130
Other non-financial	168	360
Total other non-financial liabilities	**25,630**	**15,882**
Total other liabilities	**240,131**	**216,253**

5.13. Share capital

The table below provides the structure of Sberbank's share capital as of July 1, 2015:

	Declared, placed and paid-up shares	
	quantity (thousand pcs)	***nominal value, RUB million***
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 share capital has not changed since July 2007. Over the first half of 2015, the Bank has not redeemed equity shares from the shareholders. As of July 1, 2015, 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 the 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 Meeting of Shareholders 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

RUB million	***the first half of 2015***	***the first half of 2014***
Nostro accounts	153	17
Due from the Bank of Russia	86	95
Loans to banks	22,324	13,768
Loans to legal entities	552,249	412,542
Loans to individuals	309,431	270,152
Prior period income, fines, penalties and others	10,782	5,564
Proceeds from sales of insurance products to individuals	5,524	11,929
Securities assessed through profit or loss	1,644	1,804
Securities available for sale	50,122	48,022
Securities held to maturity	13,124	14,276
Total interest income:	**965,439**	**778,169**

6.2. Interest expense by types of funds raised

RUB million	***the first half of 2015***	***the first half of 2014***
Loro correspondent accounts	2,566	974
Deposits of the Bank of Russia	133,061	52,902
Term deposits of banks	14,229	4,913
Current accounts of legal entities	39,419	16,508
Term deposits of legal entities	131,373	50,341
On demand accounts of individuals	6,486	6,043
Term deposits of individuals	211,252	144,469
Expenses of previous years, fines and penalties	651	790
Bonds	22,619	13,609
Subordinated loan	16,116	10,097
Promissory notes, savings and deposit certificates	26,247	13,120
Total interest expense:	**604,019**	**313,766**

6.3. Fees and Commission income and expense

RUB million	*the first half of 2015*	*the first half of 2014*
Commission fee income		
Bank card transactions	70,724	55,707
Settlement operations	23,590	18,316
Cash transactions	12,945	13,537
Account management	6,297	5,613
Bank guarantees	6,150	4,203
Currency control	2,218	1,833
Foreign currency operations	2,873	1,560
Trade funding and documentary operations	1,655	1,226
Budget funds service	1,145	840
Safe deposit box rental services	648	644
Securities trading	458	402
Agency and other services	165	229
Other	4,565	2,114
Total commission income	**133,433**	**106,224**
Commission expenses		
Bank card transactions	10,945	8,030
Settlement operations – expenditure	1,242	937
Cash collection	184	148
Other	1,684	1,092
Total commission expenses	**14,055**	**10,207**
Net commission fee income	**119,378**	**96,017**

6.4. Net income from foreign currency revaluation

RUB million	*the first half of 2015*	*the first half of 2014*
Net income from foreign currency revaluation except for net income from exchange rate differences on securities carried at fair value through profit or loss	29,677	-23,834
Net income from exchange rate differences on securities carried at fair value through profit or loss	-893	1,622
Total net income from foreign currency revaluation	**28,784**	**-22,212**

6.5. Operating expenses

RUB million	*the first half of 2015*	*the first half of 2014*
Staff costs	119,999	111,847
Administrative expenses	43,534	42,874
Depreciation	21,958	23,490
Contributions to the Mandatory Deposit Insurance Fund	16,248	15,006
Expenses from sales of own receivables	39,422	33,356
Other operating expenses	22,792	6,169
Operating expenses	**263,953**	**232,742**

6.6. Tax Expenses

The main components of tax expenses are presented below:

Expenses per taxes, duties and dues, RUB million	*the first half of 2015*	*the first half of 2014*
VAT	8,513	10,165
Property tax	1,656	1,839

Land tax	128	133
Transport tax	21	20
Other taxes and duties	1,110	416
Income taxes	13,454	40,897
Income tax to the federal budget	1,292	2,611
Income tax to the budgets of the subjects of the Russian Federation	4,411	23,314
Income tax on operations with government securities	4,357	4,607
Increase in income tax for deferred income tax	3,394	10,365
Total tax compensation (expenses)	**24,882**	**53,470**

7. Accompanying Information to the Statement of Cash Flows

As of July 1, 2015, the credit facility unused by the Bank amounted to RUB 11,573 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 performs standard operations in the financial markets, including those with the Bank of Russia, within the limits established by the counterparties for each other for each type of operation.

In the reporting period, the Bank was performing investment and financial transactions that do not require the use of cash. These include the return of the loan in securities by a subsidiary bank in the amount of RUB 24,550 million and repayment of the loan debt in property in the amount of RUB 28.3 million. These transactions have been recorded in the relevant sections of the Statement of Cash Flows.

8. Information about the capital

Information about equity (capital) in accordance with Bank of Russia Regulation No. 395-P:

RUB million	***July 1, 2015***	***January 1, 2015***
Share 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)	-	151,332
Profit for previous years (audited)	1,729,052	1,487,453
Intangible assets	-16,642	-16,421
Investments in ordinary shares of subsidiary financial companies / banks	-244,327	-235,094
Core capital	**1,708,375**	**1,627,563**
Additional paid-in capital	**-**	**-**
Fixed capital	**1,708,375**	**1,627,563**
Increase in value of assets due to revaluation	79,646	80,536
Profit for the year (not audited)	83,753	113,623
Subordinated loan	656,869	464,884
Share capital (due to the revaluation of fixed assets)	59,000	59,000
Share capital (preference shares)	35	40
Investments in preferred shares of subsidiary financial companies / banks	-3	-2
Provided subordinated loans	-66,861	-34,114
Additional capital	**812,440**	**683,967**
Equity (capital)	**2,520,815**	**2,311,530**

The value of regulatory capital, as required by Basel III, 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 the core capital and the additional paid-in capital. Total capital is the sum of the fixed capital and the additional capital.

The main sources of the core capital of the Bank are the Share Capital formed of ordinary shares (RUB 236.8 billion), retained earnings of previous years and reserve fund (RUB 1,732.6 billion). Intangible assets and investment in equities of financial companies reduce the core capital by RUB 261.0 billion.

Sberbank does not currently have any sources of additional paid-in capital (perpetual subordinated loans or perpetual subordinated bonds which the Bank of Russia would permit to include in the structure of the additional paid-in capital). For the purposes of inter-form control with the Reporting Form 0409123, as established by the Bank of Russia, the item 1.5 in the Form 0409808 was completed as of January 1, 2015.

The additional capital of Sberbank is formed by the share capital formed by the capitalization of asset revaluation (RUB 59.0 billion), current year earned surplus (RUB 83.8 billion, unaudited), increase in the value of assets due to revaluation (RUB 79.6 billion), and subordinated loans (RUB 656.9 billion). The preferred shares of Sberbank included in the sources of additional capital do not satisfy the requirements of Basel III for preferred shares and, therefore, shall be written off on a phased basis, starting from 2013, pursuant to Clauses 3.1.1 and 8.2 of Bank of Russia Regulation No. 395-P. As of July 1, 2015, the amount of the preferred shares recorded in the additional capital of the Banking Group was RUB 35 million. The extended subordinated loans decrease the total capital by RUB 66.9 billion.

8.1. Information about capital instruments

Shares:

RUB million	***July 1, 2015***	***January 1, 2015***
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 July 1, 2015

	Currency	***Par value, million currency units***	***Raising date***	***Repayment date***	***Rate***	***Note***
Subordinated loan from the Bank of Russia	RUB	150,000	10/20/2008	10/20/2058	6.5 %	Provided in accordance with FZ No. 173-FZ. Provided for a period of 50 years with a right of renewal.
Subordinated loan from the Bank of Russia	RUB	150,000	11/6/2008	11/6/2058	6.5 %	Provided in accordance with Federal Law No. 173-FZ. Provided for a period of 50 years with a right of renewal.
Subordinated bonds	USD	2,000	10/29/2012	10/29/2022	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	5/23/2013	5/23/2023	5.25 %	Meets all the requirements of Regulation No. 395-P
Subordinated bonds	USD	1,000	2/26/2014	2/26/2024	5.50 %	Meets all the requirements of Regulation No. 395-P
Subordinated loan from the Bank of Russia	RUB	200,000	6/18/2014	6/18/2064	6.5 %	Provided in accordance with Federal Law No. 173-FZ. Provided for a period of 50 years with a right of renewal.

Subordinated bonds of Sberbank in the amount of USD 2 billion contain the condition of loss absorption. 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 the risk-weighted assets

Information about the risk-weighted assets for calculating the R1.0, R1.1, R1.2 ratios as of July 1, 2015[19]:

RUB million	***R1.0***	***R1.1***	***R1.2***
Credit risk	17,669,970	17,580,716	17,580,716
Market risk	181,172	181,172	181,172
Operational risk	2,043,032	2,043,032	2,043,032
Total indicators for the calculation of ratios	**19,894,174**	**19,804,920**	**19,804,920**

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[20], as well as with Bank of Russia Regulation No. 387-P "On the Procedure for Calculating the Market Risk by Credit Institutions" and Bank of Russia Regulation No. 346-P "On the Procedure for Calculating the Operational Risk". Risk-weighted assets are calculated using the approach provided for by Clause 2.3 of Bank of Russia Instruction No. 139-I.

Following the second quarter, the amount of risk-weighted assets increased slightly compared with the beginning of the year, which is mainly due to the decrease in the Bank's loan portfolio and lower credit risk on derivative financial instruments.

[19] Calculation of the credit and market risk was made according to Bank of Russia Letter No. 211-T dated December 18, 2014.

[20] Bank of Russia's 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:

		July 1, 2015	***January 1, 2015***
%	***Regulatory requirement***	***Actual value***	***Actual value***
Core capital adequacy ratio (R1.1)	5.0 %	8.6 %	8.2 %
Fixed capital adequacy ratio (R1.2)	6.0 %[21]	8.6 %	8.2 %
Total capital adequacy ratio (R1.0)	10.0 %	12.7 %	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.

In order to conform to the capital adequacy standards 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 limits for capital adequacy standards;
- the contingency plan for capital adequacy management.

The calculation of target capital adequacy standards is an integral part of setting the target business development indicators in the process of business planning and strategic planning. Fulfillment of limits of capital adequacy standards 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 in the period from January 1, 2015, to July 1, 2015, were fulfilled.

[21] As of January 1, 2015, the regulatory requirement for R1.2 was 5.5 %.

8.4. Earnings per share and dividends

Diluted and base earnings per share are calculated in accordance with the methodology used by the Bank in its reporting according to the International Financial Reporting Standards (IFRS 33. Earnings per share).[22]

As of July 1, 2015, 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 base earnings per share.

The base 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.

	the first half of 2015	***the first half of 2014***
Net profit of the Bank owned by shareholders, RUB million	81,583	186,416
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	81,133	183,216
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	**3.8**	**8.6**

Information on dividends paid out:

RUB million	***Ordinary shares***	***Preferred shares***
Dividends payable as of January 1, 2015	**506**	**148**
Dividends accrued for 2014	9,714	450
Dividends paid out during 6 months of 2015	9,803	486
Dividends payable as of July 1, 2015	**417**	**112**

RUB million	***Ordinary shares***	***Preferred shares***
Dividends payable as of January 1, 2014	**385**	**117**
Dividends accrued for 2013	69,078	3,200
Dividends paid out during 6 months of 2014	68,666	3,144
Dividends payable as of July 1, 2014	**797**	**173**

All dividends are declared and paid out in Russian rubles.

[22] Letter of the Bank of Russia, No. 129-T dated October 26, 2009 on methodological recommendations "On the procedure for calculating earnings per share during preparation by credit institutions of 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 the first half of 2015 and 2014, the changes of unrealized revaluation of securities recognized as a part of capital amounted to:

RUB million	***the first half of 2015***	***the first half of 2014***
Revaluation at fair value of securities available for sale as of the start of the period	-197,450	-7,888
Unrealized revaluation at fair value of securities available for sale	121,407	-26,215
(Incomes) expenses charged to the accounts of profits and losses due to disposal of the securities available for sale	3,724	3,376
Revaluation at fair value of securities available for sale less deferred tax liability, as of the end of the period	-72,319	-30,727

8.6. Leverage ratio

	July 1, 2015
Fixed capital, RUB million	1,708,375
Amount of balance sheet assets and off-balance-sheet claims at risk for calculating the leverage ratio, RUB million	21,415,257
Leverage ratio under Basel III, %	8.0

9. Information about the risks taken by a credit institution, procedures for their assessment and management

Since Sberbank 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 Bank's Policy of Integrated Risk Management, the Bank of Russia recommendations, the requirements of the Basel Committee in the field of risk management. According to the decision adopted by the Risk Committee of the Executive Board of the Group,[23] all identified significant risks of the Group are combined into selected groups of risk, the management functions for which are distributed among the committees of the Executive Board of the Bank. Risk management on an integrated level is performed by the GRC, the Executive Board and the Supervisory Board of the Bank.

The subdivisions of the Risks Unit of the Bank, which organize the management of key risks of the Group, such as the credit risk (including the country risk), market risks of the trading book, operational risks, risk models, are also responsible for building the system of integrated risk management of the Group. In order 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 Management 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 competence 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 in order 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 put on active decision making (i.e. the prospects), rather than on stating the facts;
- Reports are formed in terms of structural units, thus allowing to consider the main risk positions cumulatively 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 pre-loan 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, but 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, etc.

The following describes the management of the selected groups of the Group's significant risks.

[23] Hereinafter, 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 obligations 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:

- Pre-settlement risk, which is a risk of incurring losses in connection with a possible failure of the counterparty to perform its contractual obligations 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 obligation after the Bank has fulfilled its obligation under the contract or agreement (by providing funds, 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 areas of the economy, segments, portfolios or geographic regions, etc.;
- Concentration of investments in securities within separate areas of 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 implementation in relation to the security, for example 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, to optimize the sectoral, regional and product portfolio structure in order 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 of 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 by different portfolios of assets exposed to credit risk, and also in terms of individual credit risks of specific counterparties and groups of counterparties, countries, geographical regions, branches of economy / types of economic activities.

The Bank uses a system of internal ratings based on economic and mathematical models of evaluating the probability of default by counterparties and transactions. 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 obligations. The Bank's internal regulatory documents envisage evaluation of the aggregate of factors, whose list is standardized depending on the types of contractors. At the same time, it is mandatory to provide evaluation of the risk factors related to the contractor's financial standing and its tendencies of 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.

Evaluation of individual credit risks of the Bank's counterparties for transactions, that carry credit risks, is made depending on types of counterparties:

- for corporate customers, credit institutions, financial companies, small business entities, countries, constituent entities of the Russian Federation, municipal entities, insurance and leasing companies – on the basis of the credit ratings system, and also 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 non-financial (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 non-financial factors.

As part of corporate credit risks, in order to manage the credit risk, a multi-level 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 geographical 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.

Proceeding from the principles of caution and 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 the Bank of Russia, Bank Regulators,

International Standards[24], 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 the procedures for valuating the credit risk level and determining the amount of provisions for possible losses from loans, as well as to lower the material and labor costs when classifying the total loans granted by the Bank and the Group as a whole, similar loans are classified into portfolios of similar loans; the provisions for such similar loans are created without pronouncing a separate professional judgment on credit risk level for each individual loan.

The Bank pays close attention to control of concentration of major credit risks and compliance with the prudential requirements of the regulating authority, analysis and forecast of the level of credit risks. The following methods are used:

- A distributed mechanism of borrowers' legal and economic connection criteria identification and further centralized keeping 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, 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 due to failure to pay under the credit 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.

A collateral policy (as part of the credit policy) determining the basic principles and elements of organizing the work with collateral security when crediting is developed as one of approaches to hedging of credit transaction risks. 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 collateral and is determined by a number of factors, such as liquidity, reliability of valuation, impairment risk, exposure to the risks of loss and damage, risks caused by the reasons of legal nature, and others.

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. The use of guarantees provided by financially reliable legal entities as a property collateral requires the same assessment of the guarantor's risks as the one performed for the borrower.

Each regional unit is assigned a risk profile that determines its authority for adopting decisions 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 allow to optimize the credit process and duly manage the credit risk.

The system of control and monitoring of the Group credit risks level is implemented based on the principles ensuring preliminary, current, and follow-up control of operations, compliance with the established risk limits and their timely update which is enshrined in internal regulations.

[24]The international financial reporting standards approved by the International Financial Reporting Standards Committee.

Classification of assets estimated for creating provisions by quality categories as of July 1, 2015[25]

RUB million	*Quality categories*					
	I	***II***	***III***	***IV***	***V***	***Total***
Assets for which a provision for possible losses is recognized						
Assets assessed for creating provisions for possible losses from loans	**7,778,826**	**6,577,879**	**838,780**	**215,739**	**673,858**	**16,085,081**
Loans to banks	1,057,936	92,584	1,061	5,849	-	1,157,430
Loans to legal entities	6,718,581	2,759,109	741,175	183,884	479,535	10,882,284
Loans to individuals	2,308	3,726,186	96,545	26,006	194,322	4,045,367
Investments in securities assessed for creating provisions for possible losses	**257,158**	**15,473**	**3,064**	**1,071**	**880**	**277,646**
Securities available for sale	6,746	0	3,064	-	28	9,838
Securities held to maturity	250,412	15,473	-	1,071	852	267,808
Other assets assessed for creating provisions for possible losses	**1,135,810**	**53,178**	**69,461**	**2,040**	**28,270**	**1,288,760**
Other receivables from credit institutions	968,643	5,191	2,928	243	176	977,181
Other receivables from legal entities	167,037	21,561	62,177	1,227	12,631	264,632
Other receivables from individuals	131	26,426	4,356	570	15,464	46,947
Non-core assets	**-**	**5,868**	**2,722**	**-**	**-**	**8,591**
Total assets for which a provision for possible losses is recognized	**9,171,793**	**6,652,398**	**914,028**	**218,849**	**703,008**	**17,660,078**

RUB million	*Quality categories*					
	I	***II***	***III***	***IV***	***V***	***Total***
Provision for possible losses						
Provisions for possible losses from loans	**60**	**96,358**	**114,654**	**86,273**	**601,924**	**899,269**
Loans to banks	-	16,615	365	4,146	-	21,126
Loans to legal entities	60	39,229	108,166	73,362	427,674	648,491
Loans to individuals	-	40,514	6,124	8,765	174,249	229,652
Provisions for possible losses from securities	**-**	**1,692**	**1,532**	**546**	**880**	**4,650**
Other provisions for possible losses	**-**	**1,414**	**13,111**	990	**27,208**	**42,724**
Other receivables from credit institutions	-	104	756	124	176	1,160
Other receivables from legal entities	-	967	12,102	680	12,294	26,044
Other receivables from individuals	-	343	253	186	14,738	15,520
Non-core assets	**-**	**627**	**1,219**	**-**	**-**	**1,846**
Total provisions for possible losses	**60**	**100,091**	**130,516**	**87,809**	**630,012**	**948,489**

Classification of assets estimated for creating provisions by quality categories as of January 1, 2015[26]

RUB million	*Quality categories*					
	I	***II***	***III***	***IV***	***V***	***Total***
Assets for which a provision for possible losses is recognized						
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

[25] According to Form 0409115 "Information on the Quality of Assets of the Credit Institution"
[26] According to Form 0409115

Other receivables from individuals	13	32,420	449	770	11,360	45,011
Non-core assets	**-**	**3,303**	**2,754**	**-**	**-**	**6,057**
Total assets for which a provision for possible losses is recognized	**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
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
Non-core assets	**-**	**603**	**991**	**-**	**-**	**1,594**
Total provisions for possible losses	**73**	**86,033**	**116,756**	**80,911**	**552,452**	**836,225**

As of July 1, 2015, the fair value securities, estimated to create provisions for possible losses, amounted to RUB 257,029 million (RUB 41,485 million as of January 1, 2015).

Information about classification of assets according to risk groups[27]

Below are the risk-weighted assets used to calculate Sberbank's obligatory ratios:

	July 1, 2015	*January 1, 2015*
Ar11	2,299,062	3,150,864
Ar12	2,299,062	3,150,864
Ar10	2,299,062	3,150,864
Ar21	292,102	250,559
Ar22	292,102	250,559
Ar20	288,475	248,953
Ar31	418,579	162,556
Ar32	418,579	162,556
Ar30	415,616	160,947
Ar41	10,641,909	10,549,896
Ar42	10,641,909	10,549,896
Ar40	10,737,766	10,666,573
Ar51	4,877	5,853
Ar52	4,877	5,853
Ar50	4,877	5,853

[27] According to Clause 2.3 of Bank of Russia Instruction No. 139-I dated December 3, 2012 "On Obligatory Ratios for Banks"

Overdue receivables

		July 1, 2015						
		including overdue debt					*Provision for possible losses*	
			including by delay					
RUB million	*Amount*	*Total*	*up to 30 days*	*from 31 to 90 days*	*from 91 to 180 days*	*Over 180 days*	*Est.*	*Actual*
Loan debts	**16,085,081**	**931,485**	**267,143**	**104,779**	**168,280**	**391,283**	**1,079,573**	**899,269**
Credit facilities (loans) granted, deposits made	15,888,891	915,000	265,748	103,545	166,930	378,777	1,050,031	871,318
Claims for rights (claims) acquired under transaction (assignment of claim)	83,445	5,086	-	-	664	4,414	11,288	9,669
Receivables on financial assets assigned under cession agreements	10,773	2,341	1,118	25	24	1,182	6,618	6,999
Claims for return of cash funds granted for transactions conducted with securities repayable without recognition of the securities received	86,671	-	-	-	-	-	185	74
Amounts paid out by the lender to the beneficiary under bank guarantees, but not recovered from the principal	12,703	7,178	5	7	355	6,811	10,520	10,291
Claims against payers under paid letters of credit	2,213	1,880	271	1,202	307	100	836	836
Discounted bills	386	-	-	-	-	-	81	81
Securities	**277,646**	**28**	**-**	**-**	**-**	**28**	**4,650**	**4,650**
Other requirements	**1,288,760**	**31,686**	**4,849**	**3,253**	**3,993**	**19,592**	**44,149**	**42,724**
Non-core assets	**8,591**	**-**	**-**	**-**	**-**	**-**	**1,846**	**1,846**

		January 1, 2015						
		including overdue debt					*Provision for possible losses*	
			including by delay					
RUB million	***Amount***	***Total***	***up to 30 days***	***from 31 to 90 days***	***from 91 to 180 days***	***Over 180 days***	***Est.***	***Actual***
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 bills	6,826	-	-	-	-	-	81	81
Other claims	6,097	-	-	-	-	-	-	-
Securities	**52,114**	**28**	**-**	**-**	**-**	**28**	**3,580**	**3,580**
Other requirements	**884,842**	**26,522**	**4,054**	**4,153**	**3,068**	**15,248**	**30,923**	**29,848**
Non-core assets	**6,057**	**-**	**-**	**-**	**-**	**-**	**1,594**	**1,594**

For loans classified into quality categories II–V, the Bank creates a provision subject to the collateral of quality categories I and II, the list of which is determined by Clauses 6.2 and 6.3 of Bank of Russia Regulation No. 254-P. The collateral is accounted for provision purposes only in the absence of restrictions established by Clause 6.5 of the above document.

As of July 1, 2015, the amount of collateral was RUB 13,134 billion, including the collateral of quality categories I and II in the amount of RUB 470 billion and 4,342 billion, respectively. As of January 1, 2015, the amount of collateral was RUB 13,060 billion, including the collateral of quality categories I and II in the amount of RUB 427 billion and 4,384 billion,

Assets with overdue repayment periods are presented below, broken down by clients:

		July 1, 2015			
RUB million	***Total***	***up to 30 days***	***from 31 to 90 days***	***from 91 to 180 days***	***over 180 days***
Legal entities	573,024	128,524	59,404	131,156	253,940
Individuals	353,323	133,505	45,351	37,124	137,343
Credit institutions	5,138	5,115	23	-	-
Total overdue debt	**931,485**	**267,143**	**104,779**	**168,280**	**391,283**

		January 1, 2015			
RUB million	***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 July 1, 2015, the amount of restructured corporate loans amounted to RUB 2,432.6 billion, and their share is 12.1 %. (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 credit contract made with the debtor for his benefit as is not provided for by the original material terms and conditions of the credit contract.

As of July 1, 2015, the amount of restructured loans to individuals in the loan portfolio amounted to RUB 105.6 billion, and their share in the loan portfolio of individuals is 2.6 %. (January 1, 2015, RUB 72.5 billion and 1.8 % 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, 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. In accordance with its internal regulatory documents, the Bank has implemented a procedure of daily monitoring of large credit risks, and forecasting of compliance with the requirements established by the Bank of Russia with regard to the statutory ratios[28] R6 (maximum risk limit per borrower or group of related borrowers) and R7 (maximum limit of large credit risks). For these purposes, the List of Major and Related Borrowers of the Bank is being kept and monitored.

The share of loans of the 20 largest borrowers (groups of borrowers)[29] in the first half of 2015 changed from 24.5 % to 22.8 % of the customer loan portfolio. The Bank's major borrowers come from various sectors of the economy; therefore, the credit risk is adequately diversified.

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. Over the first half of 2015, the Bank

[28] Bank of Russia Instruction "On obligatory ratios of the banks" (as revised on October 25, 2013) No. 139-I of December 3, 2012

[29] When calculating the figure, the Form 0409118 source data is used: the 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.

sold property worth RUB 241 million; in the first half of the 2014, RUB 581 million. An overwhelming part of the sold property is formed by real estate items (apartments, land property, non-residential facilities).

On the assets used by the Bank as a security for fund raising

The volume of liquid assets accepted as collateral by the Bank of Russia[30] which were used by the Bank as a collateral to raise funds, as of April 1, 2015, amounted to RUB 2.0 trillion, as of January 1, 2015 – RUB 3.8 trillion. These assets were used to raise funds from the Bank of Russia and other counterparties under repo operations, as well as to raise loans from the Bank of Russia secured by the credit claim rights for a period not exceeding 3 years and secured by bonds issued to finance the 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. In the first half year of 2014 and 2015, Sberbank did not assign its 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 obligation to redeem the defaulted mortgage loans at their nominal value,
- it assumed the obligation to redeem the remaining loans when the nominal value of outstanding mortgage loans declines below a certain limit.

This transaction was performed without assigning a rating. Mortgage Agent SB-2014 LLC is not affiliated with Sberbank under the Russian law. The table below provides information on the value of assets and liabilities arising for Savings Bank in connection with receivables assignment transactions.

RUB million	***July 1, 2015***	***Loan***	***January 1, 2015***	***Loan***
Bonds issued by Mortgage Agent SB-2014 LLC	1,111	100 %	1,111	100 %
Loan granted to Mortgage Agent SB-2014 LLC	174	100 %	203	100 %
Total	**1,285**	**100 %**	**1,314**	**100 %**

[30] The liquid assets here mean securities included in the Lombard list of the Bank of Russia, including those received by the Bank under reverse repo transactions, as well as the credit claim rights of the Bank included in the list of assets accepted by the 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 the Bank of Russia's granting loans to credit institutions secured by assets or sureties")

Sberbank maintains records of receivables assignment transactions cession in accordance with Regulation No. 385-P "On the rules of accounting by credit institutions located within the Russian Federation" The table below provides information on the book value of receivables assigned in the first half of 2015.

RUB million	***Amount of assigned receivables***	***including those of quality category IV and V***	***Amount of income / loss from receivable assignment***[31]
Large customers	16,720	15,433	2,844
Mid-size customers	14,868	14,644	2,038
Major customers	13,877	11,231	-1,273
Consumer Loans	6,617	6,615	-267
Small business customers	2,909	2,160	491
Mortgage loans	688	688	97
Car loans	7	7	3
Regional state sector	4	4	0
Total	**55,690**	**50,782**	**3,933**

The table below provides information on the book value of receivables assigned in the first half of 2014.

RUB million	***Amount of assigned receivables***	***including those of quality category IV and V***	***Amount of income / loss from receivable assignment***
Large customers	28,093	28,085	2,045
Mid-size customers	7,421	6,805	402
Small business customers	5,205	4,992	833
Consumer Loans	1,495	1,495	-407
Mortgage loans	224	224	24
Machinery	43	43	30
Car loans	11	11	-1
Total	**42,492**	**41,655**	**2,926**

In the third quarter of 2015, the Bank does not plan any transactions on assigning the receivables to mortgage agents and specialized companies.

9.4. Liquidity risk

Liquidity risk management helps to secure the bank's capability to perform its obligations to clients and contractors unconditionally and in due time, in compliance with the regulations of the Bank of Russia concerning the management of liquidity risk, either in normal business conditions, or in crisis situations. Sberbank's Regulation on Liquidity Risk Management is the main document regulating the assessment, control and management of liquidity risk. In the process of managing liquidity risk, the Bank differentiates the risks of regulatory, physical and structural liquidity.

Regulatory liquidity risk includes violation of the regulatory limits in terms of statutory liquidity ratios set by the Bank of Russia (R2, R3 or R4). In order to manage the regulatory liquidity risk, the Bank carries out weekly monitoring and short-term, medium-term and long-term

[31] The financial result from the receivable assignment transaction is made from income recorded under the item 12407 (previously 16302) form 0409102 and obtained from recovery of provisions on assigned assets recorded under the item 16305 form 0409102 less expenses recorded under the item 22204 (previously 26307) form 0409102.

forecasting of the obligatory ratios. In addition, Sberbank has established a system of warning and critical limits for the values of the obligatory liquidity ratios, which ensures compliance with the restrictions set by the Bank of Russia on the intramonth reporting data, taking into account possible fluctuations of certain balance sheet items.

Physical liquidity risk includes inability of the Bank to fulfill its obligations to the counterparty in any currency as a result of physical deficiency of funds: the impossibility of performing the payment, issuing the loan, etc. In the short term, the tools for managing the physical liquidity risk are the forecasting model for the main balance sheet items in terms of major currencies and control over available liquidity reserves. In order to cover the liquidity shortage exceeding the available funds, the Bank may use accessible liquidity reserves, including direct repo operations with banks (including the Bank of Russia) secured by the pledge of securities, operations on Met-SWAP market and raising funds from the Bank of Russia against the pledge of non-market assets.

Structural liquidity risk (the risk of concentration) includes 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 for a certain period.

In the first half of 2015, the liquidity management was largely determined by the existing macroeconomic situation and the state of the Russian financial sector (the sanctions imposed on Russia by the USA and the EU, the volatility of the exchange rate of the ruble, the level of key interest rate, and other factors). However, with its flexible interest-rate policy and effective management of the assets and liabilities base, the Bank managed to reduce the amount of the funds loaned from the Bank of Russia by RUB 1.7 trillion by attracting funds from retail and corporate customers, reducing the loan debts of customers, as well as due to a seasonal reduction in the volume of cash. At the same time, as of July 1, 2015, the Bank maintained a considerable liquidity reserve both in rubles and in foreign currencies.

As of July 1, 2015, Sberbank overcomplies with the limits of obligatory liquidity ratios set by the Bank of Russia. In accordance with Bank of Russia Ordinance No. 3490-U, dated December 16, 2014, the methodology for calculating the obligatory liquidity ratios was changed starting from January 1, 2015.

Compliance with liquidity requirements:

Liquidity requirements	***Limit imposed by Bank of Russia***	***The cap established by Sberbank***	***Limit as of the reporting date, %***	
			July 1, 2015	***January 1, 2015***
R2	more than 15 %	---	107.5	74.3
R3	more than 50 %	55 %	166.2	66.4
R4	less than 120 %	115 %	69.3	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".

The level of liquidity for assets and liabilities of the Bank as of July 1, 2015 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***	***not established***	***Total***
ASSETS							
Cash and cash equivalents	584,465	-	-	-	-	-	584,465
Funds of credit institutions held with the Central Bank of the Russian Federation	391,281	37,983	30,629	21,700	10,699	-	492,292
Required reserves	53,030	37,983	30,629	21,700	10,699	-	154,041
Funds held with the credit institutions	441,084	-	-	-	-	-	441,084
Financial assets carried at fair value through profit or loss	57,359	158,580	32,476	140,623	39,737	-	428,775
Loans receivable prior to deduction of provision for possible losses	1,519,147	1,679,662	1,851,567	4,620,712	5,985,246	428,747	16,085,081
Net investments in securities and other financial assets available for sale	1,331,554	-	-	-	-	442,561	1,774,115
Investments in subsidiaries and affiliates	-	-	-	-	-	442,561	442,561
Net investments in securities held to maturity	-	5,966	7,434	170,358	161,229	-	344,987
Prepayment on income tax	-	-	-	75,920	-	-	75,920
Deferred tax asset	-	-	-	-	-	-	-
Fixed assets, intangible assets and inventories	-	-	-	-	-	477,063	477,063
Other assets	119,464	33,708	19,003	30,150	33,450	27,676	263,451
Total assets	**4,444,354**	**1,915,899**	**1,941,109**	**5,059,463**	**6,230,361**	**1,376,047**	**20,967,233**
LIABILITIES							
Loans, deposits and other funds of the Central Bank of the Russian Federation	855,962	657,000	3,858	7,009	500,000	-	2,023,829
Due to credit institutions	198,169	54,016	75,923	95,153	22,106	-	445,367
Due to customers other than credit institutions	4,989,531	3,384,066	2,754,485	2,037,237	1,022,736	-	14,188,055
Due to individuals	2,092,699	2,527,508	2,427,195	1,255,164	190,728	-	8,493,294
Financial liabilities carried at fair value through profit or loss	22,562	151,508	26,695	57,854	42,278	-	300,897
Issued debt obligations	95,742	258,333	182,694	43,712	3,277	-	583,758
Income tax payable	-	-	-	-	-	-	-
Deferred tax liability	-	-	-	-	-	65,238	65,238
Other liabilities	198,672	37,510	1,631	2,315	3	-	240,131
Total liabilities	**6,360,638**	**4,542,433**	**3,045,286**	**2,243,280**	**1,590,400**	**65,238**	**17,847,275**
Net liquidity gap	-1,916,284	-2,626,534	-1,104,177	2,816,183	4,639,961	1,310,809	3,119,958
Aggregate liquidity gap	-1,916,284	-4,542,818	-5,646,995	-2,830,812	1,809,149	3,119,958	

The level of liquidity for assets and liabilities of the Bank as of January 1, 2015 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	1,240,712	-	-	-	-	-	1,240,712
Mandatory cash balances with the Central Bank of the Russian Federations	278,834	31,697	24,510	23,773	10,862	-	369,676
Obligatory reserves	51,680	31,697	24,510	23,773	10,862	-	142,522
Due from 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
Net loans receivable	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
Net Investments in subsidiaries and affiliates	-	-	-	-	-	385,839	385,839
Net investments in securities held to maturity	-	13,881	5,968	124,935	221,690	-	366,474
Prepayment on income tax	-		-	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
Deposits from 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
Issued debt obligations	69,407	174,063	178,257	65,685	25,990	-	513,402
Income tax payable	-	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 the first half of 2015, there was a decrease in the liquidity gap for short periods (up to 6 months) caused by the reduction in amount of funds raised from the Bank of Russia under direct repo transactions and Bank of Russia Regulation No. 312-P. The maturity of these operations mostly does not exceed 6 months. This decrease was offset by attracting the 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.

9.5. Country risk

Transfer risk is a risk of losses due to 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 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).

In order 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[32]. 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[33].

[32] Country Risk Limit Establishment Methodology No. 2224-3, dated October 15, 2013.
[33] Methodology for Calculating Economic Capital to Cover Losses on Transfer Risk No. 2563, dated June 29, 2012

Country concentration of the Bank's assets and liabilities:

million rubles			***July 1, 2015***		
	Russia	CIS	Countries from the "Group of developed countries"[34]	Other Countries	Total
Assets					
1 Cash and cash equivalents	584,465	-	-	-	584,465
2 Mandatory cash balances with the Central Bank of the Russian Federation	492,292	-	-	-	492,292
3 Due from credit institutions	9,211	234	200,802	230,837	441,084
4 Financial assets carried at fair value through profit or loss	222,519	2	32,697	173,557	428,775
5 Net loans receivable	12,795,454	326,070	1,390,021	674,267	15,185,813
6 Net investments in securities and other financial assets available for sale	1,431,285	46,819	170,026	125,984	1,774,115
7 Net investments in securities held to maturity	321,166	6,234	17,587	-	344,987
8 Payment on income tax	75,920	-	-	-	75,920
9 Fixed assets, intangible assets and inventories	477,050	-	-	12	477,063
10 Other assets	233,054	1,293	7,581	21,524	263,451
11 Total assets	16,642,415	380,651	1,818,715	1,226,182	20,067,964
Liabilities					
12 Loans, deposits and other funds of the Central Bank of Russian Federation	2,023,829	-	-	-	2,023,829
13 Due to credit institutions	189,296	16,634	175,292	64,145	445,367
14 Due to customers other than credit institutions	13,055,767	32,313	935,327	164,647	14,188,055
15 Financial liabilities carried at fair value through profit or loss	98,695	2	52,773	149,427	300,897
16 Issued debt obligations	583,758	-	-	-	583,758
17 Deferred tax liability	65,238	-	-	-	65,238
18 Other liabilities	218,013	236	15,311	6,571	240,131
19 Provisions for possible losses on credit related liabilities and other losses	41,570	10	-	744	42,323
20 Total liabilities	16,276,166	49,196	1,178,703	385,534	17,889,598
Net position	**366,250**	**331,456**	**640,012**	**840,648**	**2,178,366**

[34] The countries of the "Group of developed countries" include: Australia, Republic of Austria, Grand Duchy of Luxembourg, Hellenic Republic, Ireland, Italian Republic, Canada, Kingdom of Belgium, Kingdom of Denmark, Kingdom of Spain, Kingdom of Netherlands, Kingdom of Norway, Kingdom of Sweden, New Zealand, Republic of Portugal, United Kingdom of Great Britain and Northern Ireland, United States of America, Federal Republic of Germany, Republic of Finland, French Republic, Switzerland, Japan

RUB million			***January 1, 2015***		
	Russia	CIS	Countries from the "Group of developed countries"	Other countries	Total
Assets					
1 Cash and cash equivalents	1,240,712	-	-	-	1,240,712
2 Mandatory cash balances with the Central Bank of the Russian Federation	369,676	-	-	-	369,676
3 Due from in 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 loans receivable	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 Prepayment on income tax	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 the Central Bank of Russian Federation	3,515,818	-	-	-	3,515,818
13 Funds of credit institutions	299,725	52,206	343,563	99,362	794,856
14 Funds from 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 Other liabilities	182,665	262	25,766	7,560	216,253
18 Income tax payable	2	-	-	-	2
19 Deferred tax liability	42,891	-	-	-	42,891
20 Provisions for possible losses on credit related liabilities 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) (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.

Estimation of the level of trading position risks is made by the Bank based on the VaR [Value-at-Risk] model using the historical simulation method with a confidence probability of 99 % 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 risk[35]*:*

	Risk level *RUB billion*		***Risk level*** *% of the capital*	
Risk type	***July 1, 2015***	***January 1, 2015***	***April 1, 2015***	***January 1, 2015***
Market risk	**56.1**	**47.6**	**2.22 %**	**2.11 %**
On portfolio of debt securities	52.5	46.7	2.08 %	2.07 %
Stock market risk	0	1.0	0 %	0.04 %
Currency risk	6.8	2.8	0.27 %	0.12 %
Effect from diversification of investments	-3.2	-3.0	-0.13 %	-0.13 %

The rise of the market risk as of July 1, 2015 as compared to January 1, 2015 results from an increase in volatility caused by a shift of historical volatility window used in modeling possible scenarios of how the value of the 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.

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.

[35] 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.

9.7. Interest rate and currency risks of the banking book

Interest rate 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 for managing these types of risk are:

- Minimization of potential losses due to the realization of interest rate and currency risks;
- Compliance with regulators' requirements;
- Risk-return optimization.

Interest rate risk in the bank book

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).
- Advanced repayment (interest rate revision) risk regarding the assets and liabilities sensitive to interest rate changes.

In order to measure the interest rate risk, a standardized shock, in accordance with the recommendations of the Basel Committee, is used. Forecasting of possible changes in interest rates is carried out separately with respect to the ruble position and is aggregated by foreign currency. Interest rate shock is calculated as 1 % and 99 % quantile of the distribution of the average interest rate change obtained by the method of historical simulations according to data for at least 5 years prior. 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 at a 1-year horizon on profit before tax[36] by the growth of and decline in the interest rates as of July 1, 2015, compared to July 1, 2014:

	Decline in interest rates		***Growth of interest rates***	
	July 1, 2015	***July 1, 2014***	***July 1, 2015***	***July 1, 2014***
RUB				
Change in interest rates, b.p.	-452	-368	820	696
Change in profit before tax, RUB million	141,860	99,470	-257,483	-187,966
Foreign currency				
Change in interest rates, b.p.	-17	-14	58	52
Change in profit before tax, RUB million	-2,085	-428	7,190	1,584

The growth of interest rate risk in the banking book in Russian rubles as of July 1, 2015 in relation to July 1, 2014 is largely driven by the following factors:

- growth of short-term funds from legal entities;
- decrease in the average maturity of funds from individuals as a result of short-term borrowings;
- increase in volatility of interest rates in Russian rubles.

[36] Impact is calculated for all positions of the banking book which also include the investments in securities and other financial assets available for sale and investments in securities held to maturity

Change in interest rate risk of the banking book in foreign currency as of July 1, 2015 relative to July 1, 2014 is mainly driven by the following factors:

- the increase in volume of investment of funds of the Bank in foreign currency in the banks;
- the increase in the amounts of Nostro accounts.

Currency risk of the banking book

The Bank is exposed to currency risk due to the availability of open currency positions[37]. The main sources of the banking book OCP are transaction on lending and raising funds in foreign currencies and income earned in foreign currencies. Currency risk is realized due to unfavorable changes in exchange rates.

The Bank daily aggregates OCP and manages the open currency position in the bank book in order to reduce the currency risk. The Bank uses spot settlement exchange transactions, forward contracts, as well as USD futures contracts traded on MICEX, as the main instruments for risk management.

[37] Hereinafter, the "OCP"

9.8. Assets and liabilities broken down by currencies

The analysis of the Bank's assets and liabilities broken down by currencies as of July 1, 2015 is provided below:

RUB million	***Rubles***	***US Dollars***	***Euro***	***Other currencies***	***Total***
Cash and cash equivalents	446,832	61,319	49,217	27,097	584,465
Funds of credit institutions held with the Central Bank of the Russian Federation	492,175	56	62	-	492,292
Funds with credit institutions before provisions	5,125	337,685	25,181	73,734	441,726
Provisions for possible losses					-642
Investments in securities carried at fair value through profit or loss	9,905	15,373	1,469	622	27,369
Loan debts prior to deduction of provisions for possible losses	11,716,457	3,935,782	333,073	99,768	16,085,081
Provisions for possible losses					-899,269
Investments in securities and other financial assets available for sale before provisions for possible losses	1,431,138	288,578	64,575	239	1,784,530
Provisions for possible losses					-10,415
Investments in securities held to maturity before provisions for possible losses	280,229	67,847	-	-	348,077
Provisions for possible losses					-3,090
Current income tax claims	75,920	-	-	-	75,920
Fixed assets, intangible assets and inventories	478,909	-	-	-	478,909
Provisions for possible losses					-1,846
Other assets before provisions for possible losses	219,010	36,361	38,432	2,848	296,651
Provisions for possible losses					-33,199
Total assets before provisions for possible losses	**15,155,700**	**4,743,001**	**512,009**	**204,309**	**20,615,019**
Provisions for possible losses					**-948,461**
Loans, deposits and other funds of the Central Bank of the Russian Federation	2,023,829	-	-	-	2,023,829
Due to credit institutions	135,152	190,571	93,713	25,932	445,367
Due to customers	9,123,011	3,971,603	882,099	211,342	14,188,055
Issued debt obligations	563,615	16,093	4,050	-	583,758
Deferred tax liability	65,238				65,238
Other liabilities	163,324	70,346	4,282	2,178	240,130
Total liabilities	**12,074,169**	**4,248,613**	**984,144**	**239,451**	**17,546,377**
Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents					**42,323**
Net position as to DFI carried at fair value	**-22,031**	**-385,516**	**455,604**	**52,450**	**100,509**

Analysis of the Bank's assets and liabilities broken down by currencies as of January 1, 2015 is provided below:

RUB million	***RUB***	***US Dollars***	***Euro***	***Other currencies***	***Total***
Cash and cash equivalents	882,041	208,251	118,461	31,959	1,240,712
Funds of credit institutions held with the Central Bank of the Russian Federation	301,209	56	68,411	-	369,676
Funds with credit institutions before provisions	22,099	286,643	10,342	37,977	357,061
Provisions for possible losses					-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
Provisions for possible losses					-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
Provisions for possible losses					-2,144
Investments in securities held to maturity before provisions for possible losses	299,347	69,148	-	-	368,495
Provisions for possible losses					-2,021
Current income tax claims	67,058	-	-	-	67,058
Fixed assets, intangible assets and inventories	480,205	-	-	-	480,205
Provisions for possible losses					-1,594
Other assets before provisions for possible losses	267,915	127,689	37,597	2,672	435,873
Provisions for possible losses					-28,690
Total assets before provisions for possible losses	**15,932,225**	**5,078,274**	**734,735**	**177,897**	**21,923,131**
Provisions for possible losses					**-836,225**
Loans, deposits and other funds of the Central Bank of the Russian Federation	3,149,504	366,314	-	-	3,515,818
Due to credit institutions	209,583	465,248	104,524	15,501	794,856
Due to customers	9,400,626	3,561,175	829,695	235,228	14,026,724
Issued debt obligations	496,946	12,047	4,409	-	513,402
Current income 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**
Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents					**36,530**
Net position as to DFI carried 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.

RUB billion	***July 1, 2015***	***January 1, 2015***
Real estate portfolio volume	352.2	350.0
Growth rate of the real estate portfolio volume	*+0.6 %*	
Non-diversified economic capital:	53.9	53.3
Diversified economic capital:	29.1	30.6
Growth rate of the diversified economic capital:	*-4.9 %*	
Share in the diversified economic capital:	*1.7 %*	*1.8 %*

The weight of this type of risk in the general structure of the Bank's economic capital remains stably low. The procedures and policies for managing this risk are under development.

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 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 the 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 mastering new products and technologies.

In order to support the decision making and to respond in a timely manner to changes in the level of legal risk, the Group provides timely and standardized reporting of facts of disposal of losses (damages) related to the realization of legal risk, current level of legal risk, legal risk management level, and 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, if necessary, proposals for amending the banking processes are prepared.

In the second quarter of 2015, the Group members approved their Legal Risk Management Policies[38]. From the first quarter of 2015, the Group members prepare and submit, on a quarterly basis, 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.

[38] Group members, for which the legal risk was recognized as significant

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 non-compliance 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;
- Compliance with license requirements and other regulatory requirements related to financial markets;
- Ensuring of 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 consistently, with all employees of the Bank and participants of the Group involved and is performed continuously.

In the first half of 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 to conformity with new legislation and internal regulatory documents of the Bank.

As part of its training activities, in the second quarter, the Bank started to train its employees by using the multimedia training courses on the Policy of the Bank in the area of conflict of interest management and the Policy of the Bank in the area of countering the corruption. The Bank completed the development of multimedia training course on the Policy of the Bank with regard to special economic measures imposed by international organizations and individual states (the training is scheduled for the second half of 2015).

To reduce the risk of using products and services of the Bank for legalization (laundering) of proceeds from crime and terrorist financing, as well as the risk of the Bank's involvement in these processes, the Bank has expanded its procedures to control the customers' transactions, and reduced the daily and monthly limits on cash withdrawals with corporate bank cards and debit bank cards issued to individuals.

To implement the anti-corruption practices, the Bank adopted a standard form for the anti-corruption clause (guarantees prohibiting the acts of corrupt nature) to use it in the contracts with counterparties of the Bank during the activities in the following areas:

- Procurement;
- Activities related to the purchase, sale and lease of real estate;
- Activities related to the construction, reconstruction and overhaul of real estate;
- Activities to ensure the operation of buildings, structures and systems;
- Dealing with troubled assets;
- Accreditation of insurance companies.

9.12. Regulatory Risk

Regulatory risk means the risk of arising of negative financial and other consequences for the Bank and Group if a competent authority exercises its right to develop a statutory regulation with a possibility of its adoption.

In order to create an effective process of managing the regulatory risk, the Bank has adopted internal regulations governing this process, and provided for minimizing the regulatory risk with respect to the key draft regulations, and conducted regulatory risk management training.

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 the regulatory risk found.

The Bank has a collegial advisory body − a Working Group on improvement of the legislative control and creation of a favorable legal environment to provide 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 the first half of 2015, the Bank was engaged in preparing the consolidated position on key regulatory areas in accordance with the regulatory initiative plan.

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, which may appear as financial losses or any other adverse effects.

The level of potential tax risk is appraised 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 the 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. The principles are distributed for the Group members step by step. Unified approaches to appraising the tax risks will help to systematize the information on actual tax risks realized, to 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 the Bank’s losses arising as a result of errors in the organization of processes of the Bank, 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.

The users of various functional units are gradually connected to the automated operational risk management system. The system identifies and evaluates the effect of risks, and processes the information on measures taken to mitigate the risks.

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 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 subdivisions according to the level of the operational risks for the purpose of minimizing the risks. Risk coordinators of the subdivisions receive consultations with respect to operational risk management issues on an ongoing basis.

The table below provides information on the amount of income for calculating the capital to cover the operational risk:

RUB million	***July 1, 2015***	***January 1, 2015***
Net interest income	822,442	694,476
Net non-interest income	267,175	177,486
Income for calculating the capital to cover the 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 in taking the decisions determining the development strategy. The errors may consist in 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 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[39]. While developing the Strategy, possible scenarios of the development of the macroeconomic situation were analyzed, and a number of forecast scenarios of development of the Russian economy were developed. Conditions of transfer between scenarios were also defined.

The Strategy landmarks are based on an in-depth study of social, economic and technological tendencies in Russia and worldwide, an analysis of the attractiveness of some business areas and an evaluation of compliance of the Bank's system with world standards.

In the current economic conditions, Sberbank identifies the following main factors that may impact on the implementation of the Strategy:

Factors	***Impact on Sberbank***	***Possible solutions***
Deterioration of the economic situation, significant changes in the expected dynamics and market volumes	• The financial result of the Group in the years 2014−2016 shall differ significantly from the strategic plan	• Assessing the appropriateness of changing the financial objectives of the Strategy is needed
No changes in the key trends of the banking sector and the customer needs		• The fundamental provisions of the Strategy (missions, values, 5 main topics of the strategy, the roadmap timeline) do not need to be revised
Restriction of the Group's resources in the short term	• Sberbank shall not be able to actively fund subsidiary banks and increase their capital	• Assessing the appropriateness of changing the strategy of the Group at the international markets of presence is needed

[39] Hereinafter in this section, the "Strategy"

Regardless of the current changes, the Bank does not revise its Development Strategy for the years 2014−2018 as a whole while it is going to assess the appropriateness of changing the financial objectives and the international strategy of the Sberbank Group.

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 activities management, and executives performance efficiency management system based on the above.

The range of key programs and projects implemented with a view of meeting the objectives of the Strategy is still considered up-to-date. At the same time, the schedule for a number of the initiatives was partially changed, taking into account the need to resolve the most urgent tasks related to ensuring efficiency and stability of the Bank's activity at the time of crisis.

Under new economic conditions Sberbank sees new opportunities for successful implementation of the Strategy by means of the following:

- Consolidating the positions on the Russian market, increasing the level of credibility and loyalty of clients,
- Higher rates of restructuring of the sales system and management system with lower risks associated with scaling of transformations,
- Maintaining the potential for implementing strategic development projects at a time when competitors face problems with even supporting the current parameters of business,
- Using the temporary fall in market growth rates for deeper modernization of processes, infrastructure and IT system architecture,
- Limiting the growth of expenses and stricter financial control at all stages of expenditure,
- Piloting innovative ideas and developments, full-scale duplication of which may be launched at the stage of market recovery,
- Developing and training the team, creating new skills, developing competences, and introducing a new corporate culture.

When creating tasks of the Group's business plan for 2015, Sberbank takes into account the changes of the economic situation, and such changes are reflected in the Group's focus on implementation of strategic programs aimed, first of all, at ensuring quality servicing for clients and the reliability of the Bank's internal systems.

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 potential 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 once more.

The risk level indicators system depends on the type of risk and is described in separate methodologies.

Following the first half of 2015, 85 models have been validated of which 18 models needed to be reworked.

10. Information on transactions with the parties related to the Bank

Related-party transactions were carried out by the Bank 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 significant influence over the other party in making financial or operational decisions.

The table below provides the disclosure of information about balances on significant transactions with related parties, which include transactions with the Bank of Russia (the main shareholder of Sberbank), subsidiaries and other related parties.

	July 1, 2015		***January 1, 2015***	
RUB million	***Bank of Russia***	***Other related parties****	***Bank of Russia***	***Other related parties****
Assets				
Obligatory reserves in accounts with the Bank of Russia	154,041	-	142,522	-
Due from the Bank of Russia	338,251	-	227,154	-
Due from other banks	-	451,641	-	562,518
Provision for impairment of loans to banks	-	20,992	-	1,594
Investments in securities, including:	-	442,561	-	385,889
at fair value	-	-	-	50
available for sale	-	451,374	-	386,383
provisions for possible losses on securities	-	8,813	-	543
Loans and advances to customers before impairment reserve, including:	-	406,039	-	532,045
overdue loan debt	-	378	-	841
Provision for loan debt impairment	-	20,679	-	19,364
Liabilities				
Due to other banks	1,523,829	9,465	3,015,818	29,761
Due to individuals	-	6,165	-	5,795
Due to corporate customers	-	71,590	-	92,962
Subordinated loans raised	500,000	-	500,000	-
Off-balance				
Guarantees provided	-	101,498	-	82,270
Received guarantees	-	84,282	-	28,699

The Bank had no significant liabilities on settlements with related parties as of July 1, 2015 and January 1, 2015.

The information concerning significant incomes and expenses over the operations with related parties is disclosed below.

	the first half of 2015		***the first half of 2014***	
RUB million	***Bank of Russia***	***Other related parties***	***Bank of Russia***	***Other related parties***
Interest income	86	30,444	95	20,617
Interest costs on subordinated loan	-16,116	-	-10,097	-
Interest costs, except of interest costs on subordinated loan	-133,061	-4,539	-52,902	-2,827
Other incomes, less expenses	-423	-9,043	-711	3,989
Operating expenses	-162	-173	-28	-92

Over the first half of 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, interested party transactions[40], 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 Meeting of Shareholders). In 2015, 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 an interested party transaction is subject to preliminary consideration by the collegial working bodies of the Bank (Committees) or by the Executive Board of the Bank, that preliminary approve the main terms of transactions and take decisions 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.

The Bank daily 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.

[40] 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:

		July 1, 2015		
Customer	***Sector of the economy***	***Net loans receivable***	***Due to customers / Due to banks***	***Issued guarantees***
Customer 1	Energy	171,997	143,061	10,814
Customer 2	Machinery	165,895	110,866	41,456
Customer 3	Oil and gas industry	151,259	77,055	26,279
Customer 4	Energy	169,663	49,812	2
Customer 5	Machinery	162,070	41,672	14,333
Customer 6	Machinery	77,863	78,316	24,445
Customer 7	Machinery	37,540	24,599	105,763
Customer 8	Oil and gas industry	-	152,982	-
Customer 9	Machinery	100,123	25,653	9,100
Customer 10	Telecommunications	100,699	6,713	5,516
Customer 11	Banking	-	1,786	100,000
Customer 12	Energy	52,785	37,573	70
Customer 13	Oil and gas industry	40,700	25,037	12,236
Customer 14	Others	66,843	3,689	-
Customer 15	State and municipal agencies	49,104	10,900	-
Customer 16	Oil and gas industry	-	58,849	-
Customer 17	Machinery	54,976	2,959	-
Customer 18	Machinery	41,796	9,800	-
Customer 19	Banking	48,115	-	-
Customer 20	Transport, aviation and space industry	23,681	13	24,350

		January 1, 2015		
Customer	***Sector of the economy***	***Net loans receivable***	***Due to customers / Due to banks***	***Issued guarantees***
Customer 1	Energy	172,533	97,556	3,928
Customer 2	Machinery	172,026	51,406	37,222
Customer 3	Oil and gas industry	130,060	133,878	25,456
Customer 4	Energy	174,333	39,522	-
Customer 5	Machinery	180,196	45,161	15,219
Customer 6	Machinery	94,186	33,553	25,779
Customer 7	Machinery	42,488	10,620	109,813
Customer 8	Oil and gas industry	-	62,766	-
Customer 9	Machinery	129,385	30,583	8,971
Customer 10	Telecommunications	102,445	14,688	7,313
Customer 11	Banking	-	-	100,000
Customer 12	Energy	51,247	47,597	117
Customer 13	Oil and gas industry	40,700	12,629	34,716
Customer 14	Others	67,064	6,892	3,313
Customer 15	State and municipal agencies	49,104	-	-
Customer 16	Oil and gas industry	8,439	24,154	-
Customer 17	Machinery	60,371	210	-
Customer 18	Machinery	62,492	14,811	-
Customer 19	Banking	56,854	-	-
Customer 20	Transport, aviation and space industry	5,979	9,141	25,611

Additionally, the balances on operations with government offices and companies controlled by the Russian Federation as of July 1, 2015, include the requirements for the Deposit Insurance Agency of Russia in the amount of RUB 16,326 million (as of January 1, 2015 they amounted to RUB 17,128 million), which represents the amount of accounts receivable recognized for settlements to pay the compensation payment operations with regard to deposits in banks, the licenses of which were withdrawn by the Bank of Russia. These balances are included in other financial assets (see Note 5.8)

11. Information on payments (remunerations) to management personnel

The average number of employees of the Bank for the first half of 2015 was 266,979 (for the first half of 2014, 252,127)

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 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 Executive Board, Members of the Executive Board, senior vice-presidents of the Bank, chief accountant of the Bank and her 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 made to managerial staff for the first half of 2015 as a short-term remuneration (excluding the second part of the remuneration for 2014 paid in 2015) amounted to RUB 1,041.8 billion (for the first half of 2014, RUB 1,299.1 million).

For the purposes of this report, the amount of short-term remuneration includes wages and social security contributions, payable annual leave, monthly and quarterly premiums, payments for business trips, non-cash 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 of performance evaluation, i.e., the part for the year 2014 paid out in 2015 is not specified for 2015).

In the first half of 2015, there were no remunerations 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) (in the first half of 2014, the payments amounted to RUB 0.6 million)

No long-term compensations, such as long-service payments, long-term disability payments, were made to the above managerial categories in the first half of 2015.

In the first half of 2015, the Bank's managerial staff number was 83 (in the first half of 2014, 73).

The share of the total amount of payments (remunerations) to the managerial staff in the total amount of remuneration to all employees of the Bank amounted to 0.8 % in the first half of 2015 vs. 1.1 % in the first half of 2014. The total amount of remunerations to the managerial staff for the first half of 2015 decreased by 19.8 % compared to the level of the first half of 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 geographical 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 − St. 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.
- Ural, 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 provides information on allocation of the Bank's assets and liabilities broken down by segments as of July 1, 2015:

	RUB million	***Moscow***	***Central and Northern regions of the European part of Russia***	***Povolzhye and South of the European part of Russia***	***Urals, Siberia and Far East of Russia***	***Other countries***	***Total***
I	ASSETS						
1	Cash and cash equivalents	167,298	131,745	115,414	170,007	0	584,465
2	Funds of credit institutions held with the Central Bank of the Russian Federation	489,869	606	245	1,571	-	492,292
2.1	Obligatory reserves	154,041	-	-	-	-	154,041
3	Due from the credit institutions	440,910	1	-	152	22	441,084
4	Financial assets carried at fair value through profit or loss	428,775	-	-	-	-	428,775
5	Net loans receivable	6,959,629	2,693,522	2,242,531	3,287,571	2,559	15,185,813
6	Net investments in securities and other financial assets available for sale	1,773,876	-	-	-	239	1,774,115
6.1	Investments in subsidiaries and affiliates	442,561	-	-	-	-	442,561
7	Net investments in securities held to maturity	344,987	-	-	-	-	344,987
8	Prepayment on income tax	75,920	-	-	-	-	75,920
9	Deferred tax asset	-	-	-	-	-	-
10	Fixed assets, intangible assets and inventories	153,319	96,667	92,390	134,674	12	477,063
11	Other assets	169,230	31,108	25,429	37,625	60	263,451
	Inter-branch settlements	2,654,943	940,247	303,475	221,561	-	4,120,226
12	Total assets	11,003,812	2,953,649	2,476,009	3,631,600	2,894	20,067,964
II	LIABILITIES						
13	Loans, deposits and other funds of the Central Bank of the Russian Federation	1,164,529	241,000	255,300	363,000	-	2,023,829
14	Due to credit institutions	424,609	7,997	4,113	7,944	704	445,367
15	Due to customers other than credit institutions	5,981,449	3,177,105	2,179,919	2,849,220	362	14,188,055
15.1	Due to individuals	2,398,409	2,366,554	1,681,668	2,046,655	8	8,493,294
16	Financial liabilities carried at fair value through profit or loss	300,897	-	-	-	-	300,897
17	Issued debt obligations	121,303	165,442	104,968	192,045	-	583,758
18	Current income tax payable	-	-	-	-	-	-
19	Deferred tax liability	65,238	-	-	-	-	65,238
20	Other liabilities	149,687	38,960	27,867	23,611	5	240,131
	Inter-branch settlements	3,954,344	-	41,643	122,434	1,806	4,120,226
21	Provisions for possible losses from credit contingencies, other possible losses and transactions with offshore residents	22,645	7,441	4,167	8,070	-	42,323
22	Total liabilities	8,230,357	3,637,946	2,576,334	3,443,890	1,072	17,889,599

The table below contains information on allocation of the Bank's assets and liabilities broken down by segments as of January 1, 2015:

	RUB million	***Moscow***	***Central and Northern regions of the European part of Russia***	***Povolzhye and South of the European part of Russia***	***Urals, Siberia and Far East of Russia***	***Other countries***	***Total***
I	ASSETS						
1	Cash and cash equivalents	412,632	295,834	231,570	300,675	1	1,240,712
2	Funds 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	Due from the 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 affiliates	385,839	-	-	-	-	385,839
7	Net investments in securities held to maturity	366,474	-	-	-	-	366,474
8	Prepayment on income tax	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
	Inter-branch 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 evaluated at fair value through a profit or loss	617,945	-	-	-	-	617,945
17	Issued debt obligations	105,664	163,810	85,462	158,466	-	513,402
18	Income tax payable	2	-	-	-	-	2
19	Deferred tax liability	42,891	-	-	-	-	42,891
20	Other liabilities	160,278	21,177	15,281	19,504	13	216,253
	Inter-branch settlements	2,187,277	4,712	120,473	510,065	1,762	2,824,289
21	Provisions for possible losses from credit contingencies, 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 the segment information regarding the allocation of the Bank's income and expenses for the first half of 2015:

	RUB million	***Moscow***	***Central and Northern regions of the European part of Russia***	***Povolzhye and South of the European part of Russia***	***Urals, Siberia and Far East of Russia***	***Other countries***	***Total***
1	Total interest income, including:	387,196	181,361	158,327	238,346	209	965,439
1.1	From funds deposited with credit institutions	21,255	1,162	146	0	1	22,565
1.2	From loans granted to customers other than credit institutions	301,067	180,195	158,182	238,345	195	877,985
1.3	From provision of services related to financial leasing (leasing)	-	-	-	-	-	-
1.4	From investment in securities	64,874	4	-	-	13	64,890
2	Total interest expenditure, including:	312,417	111,280	77,004	103,269	51	604,020
2.1	On deposits from credit institutions	111,526	15,684	15,259	23,470	32	165,972
2.2	On deposits from customers other than credit institutions	195,992	87,439	57,071	71,280	18	411,801
2.3	On debt securities in issue	4,899	8,157	4,674	8,518	-	26,247
3	Net interest income (negative interest margin)	74,780	70,082	81,323	135,077	158	361,419
4	Changes in the provisions for possible losses from loans, loan and equivalent debt, funds in correspondent accounts, as well as for accrued interest income, including:	16,997	-32,801	-30,758	-70,578	-16	-117,155
4.1	Change in the provision for possible losses on interest income accrued	427	-573	-761	-1,314	-3	-2,224
5	Net interest income (negative interest margin) after provision for possible losses	91,777	37,281	50,565	64,499	143	244,264
6	Net income from operations with securities carried at fair value through profit or loss	-62,065	-	-	4	-	-62,061
7	Net income from operations with securities available for sale	-3,724	-	-	-	-0	-3,724
8	Net income from operations with securities held to maturity	0	-	-	-	0	0
9	Net income from operations with foreign currency	44,090	2,502	2,823	2,005	-57	51,363
10	Net income from foreign currency revaluation	28,132	203	-468	933	-17	28,784
11	Income from participation in the capital of other legal entities	1,619	-	-	-	-	1,619
12	Fee and Commission income	39,865	29,653	24,370	39,537	8	133,433
13	Fee and Commission expense	13,082	446	188	339	0	14,055
14	Changes in the provisions for possible losses on securities available for sale	-1	-	-	-	-	-1
15	Changes in the provisions for possible losses on securities held to maturity	-1,069	-	-	-	-	-1,069
16	Changes in the provisions for other losses	-17,218	-2,345	-1,403	2,565	-0	-18,402
17	Other operating income	3,751	2,492	1,788	2,235	-	10,266
18	Net income (expenses)	112,074	69,340	77,488	111,440	77	370,418
19	Operating expenses	111,187	51,856	44,231	56,619	61	263,953
20	Profit (loss) before tax	887	17,484	33,257	54,821	16	106,465
21	Tax compensation (expenses)	19,306	2,127	1,597	1,852	-	24,882
22	Profit (loss) after tax	-18,418	15,357	31,659	52,969	16	81,583
24	Unused profit (loss) for the reporting period	-18,418	15,357	31,659	52,969	16	81,583

The table below provides the segment information regarding the allocation of the Bank's income and expenses for the first half of 2014:

	RUB million	***Moscow***	***Central and Northern regions of the European part of Russia***	***Povolzhye and South of the European part of Russia***	***Urals, Siberia and Far East of Russia***	***Other countries***	***Total***
1	Total interest income, including:	294,250	149,021	133,964	200,810	124	778,169
1.1	From funds deposited with credit institutions	13,323	468	89	-	2	13,882
1.2	From loans granted to customers other than credit institutions	216,834	148,549	133,875	200,810	117	700,185
1.3	From provision of services related to financial leasing (leasing)	-	-	-	-	-	-
1.4	From investment in securities	64,093	3	-	-	5	64,102
2	Total interest expenditure, including:	166,921	57,287	39,877	49,640	39	313,766
2.1	On deposits from credit institutions	65,460	846	688	1,868	24	68,886
2.2	On deposits from customers other than credit institutions	98,635	52,312	36,890	43,907	15	231,759
2.3	On debt securities in issue	2,826	4,129	2,299	3,866	-	13,120
3	Net interest income (negative interest margin)	127,329	91,734	94,087	151,169	85	464,403
4	Changes in the provisions for possible total losses from loans, loans and similar accounts receivable, funds in correspondent accounts, as well as accrued interest income, including:	-16,675	-19,270	-16,978	-53,716	27	-106,612
4.1	Change in the provision for possible losses on interest income accrued	-271	-202	-284	-1,098	-	-1,855
5	Net interest income (negative interest margin) after provision for possible losses	110,653	72,463	77,109	97,454	111	357,791
6	Net income from operations with securities carried at fair value through profit or loss	11,864	-	-	-	-	11,864
7	Net income from operations with securities available for sale	-3,376	-	-	-	-	-3,376
8	Net income from operations with securities held to maturity	-	-	-	-	-	-
9	Net income from operations with foreign currency	13,937	2,256	1,685	1,149	2	19,029
10	Net income from foreign currency revaluation	-22,697	55	-81	484	28	-22,212
11	Income from participation in the capital of other legal entities	748	-	-	-	-	748
12	Fee and commission income	31,530	24,618	20,029	30,039	7	106,224
13	Fee and commission expense	9,366	291	207	344	-	10,207
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	330	-	-	-	-	330
16	Changes in the provisions for other losses	9,745	-751	-1,848	-5,371	-	1,776
17	Other operating Income	6,324	1,425	1,170	1,666	-	10,585
18	Net income (expenses)	149,770	99,775	97,857	125,078	148	472,628
19	Operating expenses	89,523	44,387	38,697	60,091	45	232,742
20	Profit (loss) before tax	60,247	55,388	59,161	64,986	104	239,886
21	Tax compensation (expenses)	45,770	1,978	2,721	3,001	-	53,470
22	Profit (loss) after tax	14,477	53,410	56,440	61,985	104	186,416
24	Unused profit (loss) for the reporting period	14,477	53,410	56,440	61,985	104	186,416

For the first half of 2015 and 2014, there were no external customers or counterparties entering into transactions with proceeds exceeding 10 % of the Bank's gross proceeds.

During the first half of 2015, 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 interim statements in accordance with applicable laws of the Russian Federation.

CEO,
Chairman of the Executive Board, Sberbank **H. O. Gref**

Senior Managing Director, Chief Accountant −
Director of the Accounting and Reporting
Department, Sberbank **M. Yu. Lukyanova**