

**Regulation on the Internal Control System of Sberbank of Russia OJSC No. 2289 d/d
October 17, 2011**

APPROVED BY
Resolution of the Supervisory Board
of Sberbank of Russia OJSC
Minutes No. 112, § 1a, d/d October 17, 2011

1. General Provisions

1.1 This Regulation is developed in accordance with clause 15.1 of the Bank's Charter /4/ and defines the basic principles of organizing a system of internal control over the financial and economic activities of Sberbank of Russia OJSC (hereinafter the "Bank") and determines the composition of the Bank's bodies and divisions responsible for exercising internal control and evaluating its condition.

1.2. The Regulation considers the requirements of supervisory and regulatory authorities for the organization of internal control within credit institutions, and the principles of evaluation of the banks' internal control system defined by the Basel Committee on Banking Supervision /3/.

2. Internal Control Objectives

2.1. The system of internal control is designed to ensure efficient financial and economic activities, management of assets and liabilities, risk maintenance at a level not threatening the interests of the Bank's shareholders and customers, and compliance with other requirements set forth by the regulatory documents of the Bank of Russia (Regulation No. 242-P /1/).

3. Classification of Internal Control Bodies and Areas

3.1. The Bank's system of internal control is a complex of internal control bodies and areas.

3.2. As per the Bank's Charter, internal control within the Bank is exercised according to the powers defined by the Bank's Charter and internal documents:

- The Bank's management bodies stipulated by its Charter (General Shareholders' Meeting, Supervisory Board, Collective Executive Body – Management Board of the Bank, one-person executive body – CEO, Chairman of the Bank's Management Board)
- - Audit Commission; Chief Accountant (his/her deputies) of the Bank
- - Heads (their deputies) and chief accountants (their deputies) of the Bank's affiliates
- - Internal Control Service (ICS) of the Bank
- - Inspector for counteracting the legalization (laundering) of proceeds from crime and the financing of terrorism
- - Other divisions and employees of the Bank carrying out internal control within the scope of powers defined by the Bank's internal documents <1>.

3.3 The basic requirements for the organization of the internal control system include:

- Responsibility of the management bodies for maintaining the culture of internal control
- Increased attention to the efficiency of information distribution methods
- Measures for ensuring the reliability of information contained in the automated systems and accounting data

- Regulation of internal control procedures in all areas and processes
- Organization of control as a day-to-day activity at all management levels.

4. Internal Control Organization Principles

The Bank's internal control is based on the following principles:

4.1. Involvement of each employee. All the Bank's divisions and employees are involved in the process of internal control.

4.2. Comprehensive nature. Internal control is performed for all the Bank's business areas and processes. The internal control procedures are regulated by the Bank's internal documents.

4.3. Continuity.

Internal control within the Bank is exercised on an ongoing basis.

5. System of Internal Control Bodies

5.1. General Shareholders' Meeting

As it pertains to internal control over the organization of the Bank's activities, the competence of the General Shareholders' Meeting lies in:

- Election of the Bank's Supervisory Board members, CEO, Chairman of the Bank's Management Board, and the members of the Audit Commission
- Approval of the Bank's internal auditor
- Approval of annual reports, including the annual financial statements of the Bank
- Making decisions on approving major non-arm's-length transactions to the extent provided for by federal law.

5.2. Supervisory Board

As regards internal control over the organization of the Bank's activities, the Supervisory Board is empowered to:

5.2.1. Appoint members of the Management Board and deputy chairpersons of the Management Board upon recommendation of CEO, Chairman of the Management Board.

5.2.2 Define priority areas of the Bank's activities.

5.2.3. Take part in the creation of an internal control system <2> by approving the internal regulatory documents defining the basic principles of internal control organization within the Bank.

Pursuant to the Bank's Charter, the powers to approve the internal documents on the organization of the internal control system shall also be vested in the executive management bodies or executives of the Bank <3>.

5.2.4. Hear from time to time the Committees of the Bank's Supervisory Board on individual issues of the Bank's activities and approve the regulation on the Committees of the Bank's Supervisory Board. The powers of the Audit Committee are listed in clause 5.3 hereof.

5.2.5. Approve annual and quarterly ICS inspection schedules proposed by the head of the Bank's Internal Control Service (ICS), ICS reports on compliance with the Bank inspection schedules, and consider ICS reports on the results of the Bank inspections on a quarterly basis.

5.2.6. Regularly consider the efficiency of internal control at its meetings and discuss the issues of internal control organization and measures for its enhancement with the Bank's executive bodies.

5.2.7. Hear from time to time the reports of the Bank's CEO, Chairman of the Management Board, on the Bank's activities, including, in particular, the efficiency of internal control and risk management.

5.2.8. On a quarterly basis consider the reports of the Inspector of the Professional Participant of the Securities Market.

5.2.9. Based on recommendations provided by the Audit Committee, ensure prompt fulfillment by the Bank's executive bodies of the recommendations and remarks issued by the supervisory bodies, the Bank's auditor or ICS.

5.2.10. Based on the materials prepared by the Audit Committee, review and analyze from time to time, whether the internal control complies with the character, scale and conditions of the Bank's activities in the event of any changes therein.

5.2.11. Make decisions on approving major non-arm's-length transactions to the extent provided for by federal law;

5.3. Audit Committee

The Audit Committee is a body of the Supervisory Board established to consider and comprehensively examine the issues pertaining to the organization and functioning of the internal control and risk management system, the accuracy of financial statements and the internal and external audit procedures.

5.3.1. The Audit Committee preliminarily examines the materials and provides recommendations to the Supervisory Board to make decisions in the following areas:

- Evaluation of candidates for the Bank's auditor based on analyzing the professional activities of various auditors, their proposals as to the Bank audit, and the scope and terms of their services for holding a tender to select and propose the candidate auditors to the Supervisory Board for consideration for their subsequent approval at the general shareholders' meeting, drawing up of recommendations on the draft agreement to be made with the auditor.

- Preliminary review of the annual financial statements, the external auditor's opinion, and the opinion of the Audit Commission based on the audit of the Bank's financial and economic activities, the Bank's annual accounting statements and the validity of data contained in the Bank's annual report and annual accounting statements.

- Consideration and approval of amendments to be made to the Regulation on ICS, annual work plans of the Internal Control Service, the availability of resources, and compliance with such plans.

- Review of quarterly reports submitted by ICS and the Inspector of the Professional Participant of the Securities Market to the Supervisory Board.

- Drawing up of recommendations to the Supervisory Board to take measures ensuring prompt fulfillment by the Bank's executive bodies of the recommendations and remarks of the supervisory bodies, the Bank's auditor and ICS.

- Examination of situations when the Bank's management assumed increased risks.

- Evaluation of the efficiency of internal control and risk management, their compliance with the nature, scale and conditions of the Bank's activities and measures to enhance their efficiency.

- Consideration of other documents concerning organization of the internal control system.

5.3.2. The Audit Committee facilitates internal communications with the head of ICS, who is generally invited to the Committee meetings.

5.4. Bank's Management Board (Collective Executive Body)

The Bank's Management Board manages the Bank's day-to-day activities, save for matters falling within the competence of the General Shareholders' Meeting and the Supervisory Board. As regards internal control, the Bank's Management Board shall:

5.4.1. Be responsible for the fulfillment of resolutions made by the Bank's Supervisory Board, the implementation of the Bank Development Strategy and the policy for organization of the Bank's internal control.

5.4.2. Preliminarily discuss all matters to be considered by the General Shareholders' Meeting and the Supervisory Board of the Bank, including annual reports, in particular the Bank's annual accounting statements, prepare draft resolutions thereupon, and ensure their fulfillment.

5.4.3. Discuss reports of the heads of divisions of the Bank's central head office and the heads of regional head offices on their performance for the relevant periods and on the results of work in particular areas.

5.4.4. Determine the Bank's risk management policy, ensure conditions for its efficient implementation, arrange for the risk management process within the Bank, and appoint the divisions responsible for the management of individual types of risks.

5.4.5. Arrange for the practical implementation of the most advanced banking technologies by the Bank's divisions, implement projects for complex banking automation, and ensure creation of a modern banking infrastructure.

5.4.6. Consider the state of accounting, reporting and internal control of the Bank, hear reports of the heads of the Bank's affiliates and other detached divisions based on the audits and inspections of their activities, and make appropriate decisions.

5.4.7. Consider other materials and results of periodic assessments of internal control efficiency.

5.4.8. Approve the internal documents regulating the Bank's daily operations, including those defining the Bank's policy in various areas of its business, management of bank risks, the work of the Bank's collective bodies, save for the internal documents the approval of which lies within the competence of the General Shareholders' Meeting and the Supervisory Board of the Banks, delegate powers for the development and approval of internal documents, rules and procedures in respect of internal control to the heads of the relevant divisions.

5.4.9. Analyze reports and other information provided by ICS for compliance of the Bank's activities with its internal documents defining the internal control procedure, and the results of evaluating the compliance of their contents with the character and scale of the Bank's activities.

5.4.10. Ensure creation of efficient information transfer and exchange systems (see clause 6.4).

5.4.11. Ensure creation and functioning of the systems for control over the elimination of identified internal control violations and defects and measures taken for the elimination thereof.

5.4.12. Preliminarily consider the appointment and dismissal of chairpersons of regional head offices.

5.5. CEO, Chairman of the Management Board

5.5.1. According to the Charter, CEO, Chairman of the Bank's Management Board shall:

- Head the Bank's Management Board and organize its work, including in terms of the Bank's internal control.

- Allocate duties among the first deputy, the deputy chairpersons of the Bank's Management Board, and the members of the Bank's Management Board.

- Approve the Bank's organizational structure and regulations on the structural divisions of the Bank's central head office.

5.5.2. Pursuant to the Charter, CEO, Chairman of the Bank's Management Board may delegate individual official powers, and temporarily vest his obligations in his subordinates.

5.6. Audit Commission

The Audit Commission is a body elected by the Bank's General Shareholders' Meeting to control the Bank's financial and economic activities, in the course of which it shall:

- Inspect (audit) the Bank's financial and economic activities as of the end of a financial year and at any time on its own initiative, by a resolution of the General Shareholders' Meeting, the Supervisory Board or at the request of a shareholder (shareholders) holding in the aggregate at least 10 percent of the Bank's voting shares.
- Based on the inspection (audit) of the Bank's financial and economic activities, draw up its opinion containing the basic conclusions on the inspection results and listing the infringements identified in the course of the audit and the proposals as to their elimination.
- Provide the audit materials to the Supervisory Board, CEO, Chairman of the Bank's Management Board, for review and taking of the appropriate measures.

5.7. Chief Accountant

The Bank's Chief Accountant is responsible for the development of the Bank's Accounting Policy, record keeping, and timely provision of full and true accounting statements.

All employees of the central head offices and affiliates of the Bank/divisions of the operations unit engaged in accounting; structural divisions report to the Chief Accountant of the Bank or the Bank's affiliate for accounting operations and accounting records keeping.

The Chief Accountant's requirements for documenting the operations and providing the required documents and information to the accounting divisions are binding on all the Bank employees.

5.8. Internal Control Service

ICS is the totality of the Bank's structural divisions (Internal Control, Inspection and Audit Department of the Bank's central head office and respective internal control divisions of the Bank's affiliates) responsible for inspecting and evaluating the efficiency of the internal control system, risk management systems, information security systems, accounting and reporting validity, and performing a number of other control functions, in particular, monitoring compliance with the procedures for internal control over the financial and economic activities stipulated by the Regulation on the Bank's Internal Control Service /8/, the Regulation on the Internal Control, Inspection and Audit Department of the Bank's Central Head Office.

5.8.1. The primary objective of the Bank's ICS is to assist the Bank's management bodies in ensuring high efficiency of the Bank's internal control system, its capability to identify in a timely manner and ensure an adequate response to possible errors, violations or omissions.

5.8.2. In its activities, ICS is free from interference of any third parties or divisions and reports only to the Bank's Supervisory Board, Management Board and CEO, Chairman of the Bank's Management Board.

ICS shall inform the said management bodies of:

- Audit schedule compliance and results
- Any material violations of applicable Russian laws, established standards and rules, resolutions of the Bank's management, and significant failures of the Bank's internal control system that may have a material effect on the Bank's financial performance
- The progress of the fulfillment of recommendations on internal control and risk management problems and elimination of violations
- The facts of the management of the Bank's divisions or bodies assuming risks that are unacceptable to the Bank, or if the control measures taken are not adequate to level of risk.

5.8.3. The ICS activities are based on principles relating to the auditing profession and practice of internal auditing: independence, impartiality, integrity, objectivity and professional competence.

5.8.4. In accordance with its tasks, ICS performs the following functions of monitoring the compliance with the procedures for internal control over financial and economic activities:

- Inspection and evaluation of the Bank's internal control system, identification and analysis of problems related to its functioning, evaluation of the efficiency of the internal control processes and procedures used
- Verification of the completeness of application and the efficiency of the Bank's adopted methodology of bank risk evaluation and bank risk management procedures
- Verification of the operational reliability of the internal control system using automated information systems
- Verification of the validity, completeness, objectivity and timeliness of accounting and reporting, and the reliability and timeliness of collection and presentation of information and reports
- Verification of the applied methods of ensuring the integrity of the Bank's property
- Verification of the compliance of the Bank's internal documents with Russian laws and regulations and their observance
- Other functions provided for by the Bank's internal regulatory documents.

5.8.5. ICS carries out its work according to work plans compiled with allowance for a risk-oriented approach. When planning its work, ICS defines the internal audit priorities in accordance with the Bank's development priorities and the structure of risks assumed by the Bank. In drawing up the plans, the opinion of the Supervisory Board, the Bank's Management Board, and CEO, Chairman of the Bank's Management Board shall be taken into account.

5.8.6. ICS shares the International Professional Practices Framework (the Standards for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, and the Code of Ethics /14/) developed by the Institute of Internal Auditors and strives to meet it.

5.8.7. ICS applies a systematic and consistent approach to the evaluation and enhancement of the efficiency of risk management, control and corporate governance processes. Control procedures are carried out as prescribed by the Bank's internal regulatory documents.

5.9. Inspector for Counteracting the Legalization (Laundering) of Proceeds from Crime and the Financing of Terrorism

The Inspector of the Bank (affiliate) is a special officer responsible for internal control to counteract the legalization (laundering) of proceeds from crime and the financing of terrorism (CLP/FT). The Bank's Inspector is appointed by order of the CEO, Chairman of the Bank's Management Board, and the affiliates' inspectors are appointed by orders of their heads by agreement with the Bank's Inspector.

The Bank's Inspector is independent in its activities from the Bank's customer service divisions and reports only to CEO, Chairman of the Bank's Management Board.

In exercising his or her powers for counteracting the legalization (laundering) of proceeds from crime and the financing of terrorism, the Inspector of the Bank's affiliate is accountable only to the head of the Bank's Affiliate and the Bank's Inspector.

When carrying out their CLP/FT activities, the inspectors are governed by the Rules of Internal Control to Counteract the Legalization (Laundering) of Proceeds from Crime and the Financing of Terrorism /11/ approved by the Bank's Management Board and agreed upon with the Moscow Main Territorial Office of the Bank of Russia.

The Rules provide the order and description of the internal control procedure for identifying operations subject to mandatory control, and other operations with money or other property connected with laundering of proceeds from crime and the financing of terrorism.

The main principles of the Bank's LPC/FT activity are to ensure the involvement of all the Bank employees, regardless of the position held, within the scope of their competence in identifying the operations subject to mandatory control, and other operations with money or other property connected with legalization (laundering) of proceeds from crime or the financing of terrorism, in the activities of all the persons serviced by the Bank. The Bank employees shall document information obtained as a result of applying and implementing the internal control programs and keep it confidential.

5.10. Inspector of the Professional Participant of the Securities Market

The inspector of the professional participant of the securities market is a responsible employee who inspects the Bank's compliance as a professional participant of the securities market.

The duties of the Bank's inspector are imposed on a full-time employee of the ICS division by order of CEO, Chairman of the Bank's Management Board.

The inspectors are appointed in the Bank's affiliates if their staff includes at least 12 employees carrying out professional activity on the securities market. The obligations of affiliates' inspectors are vested in the employees of ICS divisions of such affiliates based on an order for the affiliate. The inspectors of the Bank and the affiliates act independently from other structural divisions of the Bank. The Bank's Inspector is controlled by the Supervisory Board.

The Inspector's activity is regulated by a separate instruction /9/, drawn up in accordance with the requirements of the federal executive authority for the securities market and defining the overall organization and control of the Bank's compliance with Russian laws on the securities market, including the regulations of the federal executive authority for the securities market, the Bank of Russia, Russian laws on the protection of rights and legal interests of investors of the securities market, and Russian laws on advertising, and the compliance with the Bank's internal rules and procedures concerning operations on the securities market.

5.11. Other Divisions and Employees Performing Internal Control Functions

5.11.1. The process management system ensures formalization of all basic banking processes, appointment of process owners, determination of key indicators, and creation of a mechanism for control and continuous improvement.

5.11.2. Each employee of the Bank is involved in the process of internal control. The degree of involvement depends on the kind of work performed and job duties. The personal responsibility of employees for the fulfillment of control functions is defined in their job descriptions and executive documents.

All employees generate information used in the internal control system or perform actions required to exert control. A material element of the internal control system is that all employees recognize the need for effective performance of their duties and notification of their supervisors of the respective level of any operational problems or failures to meet the code of professional ethics or other non-compliances or abuses.

6. Internal Control Areas

6.1. Control by the Management Bodies over the Organization of the Bank's Activities

6.1.1. The functions of the Bank's management bodies are listed in clauses 5.1 to 5.5.

6.1.2. The Bank management bodies shall ensure an atmosphere (tone of the top) promoting integrity and loyalty of the Bank's employees, a professional and conscientious attitude to their internal control involvement and control duties by paying incentives to

outstanding employees and by demotivating those who ignore or violate internal control mechanisms.

6.2. Control over the Bank Risk Management System and Evaluation of Bank Risks

The system of risk management is regulated by the Risk Management Policy /7/ and the policies for management of individual risks and is not covered by this Regulation. The methods for evaluating and managing specific kinds of risks in each process and the respective internal control procedures are defined by the internal regulatory documents governing the said processes.

6.3. Control over the Distribution of Powers in Bank Operations and other Transactions

The scope and order of the internal control procedures for each specific process of the Bank and distribution of control responsibilities among various divisions and employees of the Bank are determined by the internal regulations and executive documents regulating such process.

To ensure the said requirements are met at all levels in all functional areas, the Bank carries out the required daily control procedures integrated in its day-to-day operations.

6.3.1. Control actions of the management. The heads of functional units and divisions (departments, offices, subdivisions, etc.) receive and analyze daily, weekly or monthly reports on the work performed and compliance with the priority indicators. Any issues that may arise resulting from the analysis refer to control activities.

6.3.2. The system of reconciliation and approval of operations exceeding the established limits provides for timely notification of the relevant heads (unit supervisors) of such operations.

Thus, for instance, the Bank's Credit Risk Management Policy /13/ states that the authorization of operations the value of which exceeds the established limits and restrictions falls within the competence of the Loans and Investments Committee.

6.3.3. Material (physical) control is ensured by inspecting access restrictions to material valuables and recalculating material valuables, cash in hand or securities.

In addition, mutual control while documenting operations (a principle of two persons) is extensively used by front offices or when working with bank valuables in cash offices and the collection service.

Moreover, the Bank delineates responsibilities for keeping and using material valuables, ensuring protection of premises for storing bank and material valuables, quarterly inventories of bank valuables and commodities, the actions of front office and cash office personnel upon closing a day, inventory control and issue of materials.

6.3.4. Examination of reports on complying with the established limits and restrictions on banking and other transactions based on source documents.

Daily control over compliance with the established limits on bank and other transactions by examining the source accounting documents is ensured by the divisions for the support and documentation of bank operations.

6.3.5. Allocation of job duties. Prevention of a conflict of interest is ensured by the internal documents concerning the formation of the organizational structure of the Bank and its affiliates.

6.3.6. Reconciliation of accounts and reports on operations and transactions requires notification of the respective managers of the Bank and its affiliates of the identified violations, errors or defects.

Regular inspections of operations and transactions are conducted by the divisions of the Bank and its affiliates where such procedures are stipulated by the internal regulatory documents.

Moreover, when compiling an annual report in accordance with the instructions of the Bank of Russia, all balance sheet accounts are thoroughly analyzed to verify the validity and accuracy of operations presented, balances of all balance sheet and off-balance sheet analytical and synthetic accounts are reconciled, fixed assets, intangible and tangible assets, cash and

valuables are inventoried, claims and liabilities for bank operations are settled, settlements with debtors and creditors are made, and additional measures are taken to settle receivables and payables, amounts on account until clarification, and liabilities and claims under futures transactions.

6.3.7. In accordance with the requirements of the Bank of Russia /2/ the accounting and cash operations of the Bank's divisions shall be subject to further regular audits. Each employee's work shall be further inspected at least once a year, and the results of such inspections shall be confirmed by certificates to be examined on a mandatory basis by the heads of their divisions.

6.4. Control of Information Flows (Receipt and Transmission of Information) and Information Security

6.4.1. Efficient Distribution Methods and Complete Communication of Information to Responsible Persons

The scale and the extensive branch network of the Bank predetermine the critical importance of an efficient information transmission system and require guarantees that information is communicated to each employee who needs it. Moreover, such information shall meet the quality criteria (reliability, timeliness, availability and correctness).

Apart from traditional ways of distributing insider information within the document flow and document management system, the Bank develops state-of-the art technologies of internal communications and internal social networks.

The complete employees' awareness of the Bank's strategy and work plans, policies and internal regulatory documents, instructions and directions determining their work and obligations is ensured by the following measures:

- A system of end-to-end meetings of the Bank's management and affiliates at which reports submitted by the heads of functional units on the fulfillment of priority projects are considered and the priority objectives for the next period are approved. Such meetings are held on a regular basis, generally once or twice a week via teleconferencing (or selective communication). This allows for a consistent dissemination of managerial information from top to bottom, from the Bank's highest level to the management of affiliates and further to the lower echelon and to receive feedback about mutual understanding and use of such information in work (from bottom to top). Thus, the management obtains information on risks assumed in the course of operations and the current state of the Bank.
- The practice of daily meetings in the Bank's units, affiliates and internal structural divisions (shifts) to discuss the objectives for the current day.
- Regular teleconferences with the employees of subordinate divisions conducted by the business process owners and managers on topical and priority issues, individual problems, products and projects.
- Development of a horizontal transfer of information via the internal corporate portal.
- Holding of interactive surveys and instruction courses with a knowledge testing system.

6.4.2. Internal Control of Automated Information Systems and Equipment

Control is targeted at ensuring compliance with the Policy of Information Security /17/ and other regulatory documents of the Bank, and covers all business areas, including the rules for software purchase, development and support, and the procedure for monitoring the security of physical and logical access (as defined in /12/).

The methods of control over the automated information systems ensuring their reliability and lower risk of information distortion, include general and software control.

6.4.2.1. General Control

General control of automated information systems involves control of computer systems (control over the host computer, client-server system and workstations of end users, etc.), designed to ensure fail-safe and uninterrupted operation.

General control includes monitoring of the procedures for data backup (copying) and for functional recovery of the automated information systems, support throughout the use of the automated information systems, including definition of rules for software purchase, development and maintenance (support), and the procedure for monitoring the safety of physical access.

6.4.2.2. Software Control

Software control is ensured by automated procedures embedded in the application programs, and by manual procedures performed to monitor the processing of bank operations and other transactions (edit check, logical access check, internal backup and data recovery procedures, etc.).

In particular: software control is based on a ‘two persons’ principle that implies confirmation of critical bank operations by a second person, and control over the integrity of cryptographically protected information transmitted (or stored, as the case may be). Software control is used in access differentiation, authorization and auditing of automated system users when fulfilling the requirements of /16/.

Software control includes control by specialized control software, such as security scanners, firewalls, intrusion detection systems, network traffic monitoring, virus control, e-mail and Internet activity control, etc.

6.4.2.3. Going Concern

To meet going concern requirements, the Bank has developed and updates from time to time contingency action plans that provide for the use of backup automated systems and/or devices and for a recovery of critical systems supported by an external service provider. The Bank defines the procedure for verifying the feasibility of the action plan aimed at ensuring a going concern or a recovery in case of contingencies.

6.5. Monitoring of the Internal Control System

The internal control is monitored on an ongoing basis. The Bank takes the necessary steps to improve its internal control subject to changing internal and external factors.

The internal control system is monitored by the management and employees of various divisions, including those responsible for bank operations and other transactions, their accounting and reporting, and by ICS.

The frequency of monitoring the Bank’s various activities is determined based on the frequency and nature of changes and associated risks.

The monitoring results shall be documented and brought to the notice of the relevant executives and divisions of the Bank.

Annex 1

List of Terms and Definitions

“Bank” means Sberbank of Russia Open Joint-Stock Company.

“Internal control over the Bank’s financial and economic activities (internal control)” refers to the activity of the Bank’s management bodies, divisions and employees for risk management and control of the validity and completeness of financial and other reports; compliance with legal regulations, professional standards, constituent and internal regulatory documents; and information security.

For the purpose of this document, “internal regulatory documents” include all types of the Bank’s internal regulatory documents governing banking processes or other aspects of the Bank’s activities, and executive documents of similar contents.

An “internal control system” means a system of internal control participants (the Bank’s management bodies, divisions and employees responsible for internal control), internal control areas (organization of the activity, distribution of powers, compliance of the control system with current objectives) and control procedures applied (by front and back offices, accounting and other services).

“Internal Control Service” refers to the Bank’s structural divisions (the Internal Control, Inspection and Audit Department of the Bank’s central head office, relevant divisions of the internal control service in the Bank’s affiliates) responsible for inspecting and evaluating the effectiveness of the internal control system, risk management systems, information security systems and the validity of accounts and reports, and for performing a number of other control functions defined by Regulation on the Internal Control Service of Sberbank of Russia No. 1277-2-r d/d December 21, 2005 (as amended).

Annex 2

List of Regulatory Documents Referred to when Developing this Document

1. Regulation of the Bank of Russia No. 242-P *On Organizing Internal Control in Credit Organizations and Bank Groups* (as may be revised) d/d December 16, 2003.
2. Regulation of the Bank of Russia No. 302-P *On the Rules of Accounting in Credit Institutions Located within the Russian Federation* (as amended) of March 26, 2007.
3. Letter of the Bank of Russia No. 87-T d/d July 10, 2001 (Concerning the recommendations of the Basel Committee on Banking Supervision “A Framework for Internal Control Systems in Banking Organizations”).
4. The Charter of Sberbank of Russia OJSC (approved as of June 4, 2010).
5. Regulation on the Supervisory Board of Sberbank of Russia.
6. Regulation on the Committees of the Supervisory Board of Sberbank of Russia.
7. Risk Management Policy of Sberbank of Russia No. 1263-r d/d June 28, 2004.
8. Regulation on the Internal Control Service of Sberbank of Russia (Version 2) No. 1277-2-r d/d December 21, 2005 (as may be amended).
9. Instruction on the Internal Control of Sberbank of Russia Acting as a Professional Participant of the Securities Market (Version 2) No. 1273-2-r d/d July 27, 2006.
10. Rules of Document Management and Technology of Accounting Information Processing by Sberbank of Russia (Version 2 as amended of July 1, 2010) No. 304-2-r d/d November 4, 2000.
11. Rules of Internal Control to Counteract the Legalization (Laundering) of Proceeds from Crime and the Financing of Terrorism (Version 5) No. 881-5-r d/d June 4, 2010.
12. Procedure for Ensuring Security of Information Technologies within Sberbank of Russia No. 875-r d/d December 28, 2001.
13. Credit Risk Management Policy of Sberbank of Russia No. 1303-r d/d November 1, 2004.
14. International Professional Practices Framework (IPPF). The Institute of Internal Auditors, Florida, USA.

15. Order of FCSM on the “Approval of methodological guidelines for trade organizers to carry out control on the securities market over compliance by joint-stock companies with the Code of Corporate Conduct” No. 421/r d/d June 18, 2003.

16. Requirements for information security of the automated banking systems of Sberbank of Russia. Approved on July 22, 2008.

17. Policy of Information Security of Sberbank of Russia No. 1370-2-r d/d November 23, 2006.

<1> Including the inspector of the professional participant of the securities market.

<2> Regarding the requirements of the Bank of Russia /1/ The system of the Bank's internal control was established in 2004.

<3> Prepared by the executive bodies of the credit institution, the internal control service, the officer (responsible employee or structural division) for counteracting the legalization (laundering) of proceeds from crime and the financing of terrorism, other structural divisions of the credit institution, and the audit organization that conducts (conducted) the audit.