

SBERBANK OF RUSSIA
OPEN JOINT STOCK COMPANY

ACCOUNTING POLICY
OF SBERBANK OF RUSSIA OJSC

Approved by the Order of Sberbank of Russia
No. 363-0 of December 14, 2009
(as amended on December 30, 2011)

1. General provisions

The accounting policy of Sberbank of Russia OJSC defines the general accounting methodology in accordance with Federal Law No. 129-FZ "On Accounting" dated 11/21/1996 with a view to accumulate accurate information on results of the Bank's activities.

In accordance with Article 57 of the Federal Law No. 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)" of July 10, 2002, the Bank of Russia shall set mandatory rules for credit institutions and bank groups to regulate bank operations, accounting and reporting, internal control, compiling and submitting the accounting and statistical reports and other information as provided by federal laws.

In its activities, the Bank shall be governed by the Federal Law No. 395-1 "On Banks and Banking Activities" of December 2, 1990, as amended, the Federal Law No. 129-FZ "On Accounting" of November 21, 1996, other laws and regulatory acts in effect on the territory of the Russian Federation, the directives of the Bank of Russia, the Charter of the Bank, and the resolutions of Management Board of the Bank.

The accounting policy of the Bank shall be based on the Regulations of the Bank of Russia No. 302-P "On the rules of accounting by credit institutions located within the Russian Federation" of March 26, 2007 (hereinafter, the "Regulations of the Bank of Russia No. 302-P"), other documents of the Central Bank of the Russian Federation regulating the accounting and reporting, and accounting provisions (standards) ensuring the uniform recording of banking operations in the balance sheet accounts.

This Accounting policy of the Bank shall be mandatory for the headquarters, branches, and internal structural divisions of the Bank.

This Accounting policy of the Bank shall be applied consistently year after year. This Accounting Policy of the Bank may be modified in the event of changes in the laws of the Russian Federation, regulatory acts of the Bank of Russia, and new accounting methods as may be developed by the Bank.

In order to ensure comparability of accounting reporting data, changes in the Accounting Policy shall be introduced from the beginning of the fiscal year.

The accounting records and procedures shall meet the following requirements:

- completeness in recording of executed cash, payment, credit and other banking transactions in the reporting period;
- rational and correct accounting, given the local conditions and volume of works executed, and based on a comprehensive automated accounting system for banking and other transactions;
- analytical accounting data must correspond to turnovers and balances on the accounts of synthetic accounting;
- timely recording of income earned and expenses incurred, summarizing the results of business activities in accordance with the applicable laws and requirements of the Bank of Russia;
- making settlements on behalf of the customers, business and other transactions of the Bank in accordance with the requirements of the Bank of Russia;
- controlling compliance with the regulations and instructions on the procedure for keeping and transferring cash, securities, and bank valuables;
- all business transactions and inventory results must be registered in the accounts in a timely fashion without any omissions or exceptions;
- caution (or conservatism), i.e. ensuring more readiness to recognize expenses and liabilities in the accounting rather than potential income and assets, preventing the creation of hidden reserves (deliberate understatement of assets or income and deliberate overstatement of liabilities or expenses);
- prevalence of essence over form (recording transactions in accordance with their economic essence rather than legal form);

- understandability (for a qualified user, the reporting must contain all the necessary explanations and interpretation);
- materiality (the reporting shall ensure reliable recording of information essential for decision-making);
- comparability (comparability of data over various periods);
- reliability (the reporting shall not contain significant distortions or mislead users). To be reliable, the reporting shall:
 - accurately reflect all transactions, assets, liabilities and financial results;
 - be prepared with prevalence of substance over form;
 - be neutral (free from a subjective, concerned approach);
 - be conservative;
 - be complete (omission of certain facts can make reporting unreliable).

2. Organizational Aspects of Accounting Policy

2.1. Working Chart of Accounts

Accounting in the Bank shall be performed in accordance with the Working chart of accounts at the Bank's branches approved by the CEO of the Bank on November 22, 2007, as amended.

The Working Chart of Accounts of the Bank shall be based on the Chart of Accounts in the credit institutions as provided by the Regulations of the Bank of Russia No. 302-P.

2.2. Primary Accounting Documents

The entries in accounting ledgers shall be based on the primary accounting documents recording the fact of the transaction. Transactions shall be reflected in the accounting records as of the day of their performance (receipt of documents), unless otherwise stipulated by the regulatory acts of the Bank of Russia.

The standard forms of primary accounting documents provided by the Bank of Russia or contained in the albums of unified primary accounting document forms shall be used to formalize transactions.

The Bank will approve the forms of primary accounting documents used to formalize business and financial transactions, which are not provided with standard forms of primary accounting documents, and also the forms for internal accounting documents. The list of such documents is provided in the Album of primary accounting document forms, approved by the CEO of the Bank on May 30, 2000.

2.3. Procedure of Settlements with Branches

In the Bank, the settlements between headquarters and branches of the Bank, as well as among the branches, shall be performed by using intra-subsidary settlement accounts in accordance with the "Regulations on intra-subsidary settlements in Sberbank of Russia" No. 355-4-r, prepared in accordance with the Regulations of the Bank of Russia No. 302-P, Regulations of the Bank of Russia No. 2-R of October 03, 2010, "On non-cash settlements in the Russian Federation", and rules governing international settlements.

2.4. Procedure for Individual Accounting Transactions and Document Workflow

Basic requirements for accounting and document workflow shall be defined by the regulatory documents of the Central Bank of the Russian Federation and the Regulations "On the Document Flow and Accounting Data Processing Technology at Sberbank of Russia" No. 304-2-r of November 4, 2000.

In addition, for accounting purposes, the headquarters and the branches of the Bank shall be governed by internal regulatory documents of the Bank, regulating transaction procedures and transaction-based document workflow.

2.5. Procedure of Inventory Taking

The headquarters and branches of the Bank shall conduct the inventory of fixed assets, intangible assets, inventories, settlements for claims and liabilities with respect to banking transactions and transactions, for the claims and liabilities with regard to futures transactions, settlements with debtors and creditors.

The procedure for taking inventory of the property and formalizing results for headquarters and branches of the Bank shall be defined by the "Methodology for inventory taking of tangible valuables in Sberbank of Russia OJSC and its branches" No. 1962 and "Procedure for the acquisition, accounting, operation, maintenance and disposal of tangible valuables and intangible assets in the headquarters of Sberbank of Russia" No. 1122-3-r.

Inventory of accounts receivable and accounts payable shall be performed by the headquarters and the Bank's branches in accordance with the Directive of the Bank of Russia No. 2089-U "On Annual Reporting by Lending Institutions" of October 8, 2008, and the regulatory documents of the Bank: "Regulations on recovery and write-off of accounts receivable by Sberbank of Russia OJSC and its branches" No. 283-3 of June 2, 2011, and "Procedure for taking inventory and writing off unclaimed accounts payable by Sberbank of Russia and its branches" No. 1369-r of July 28, 2005.

The headquarters and branches of the Bank shall conduct an audit of banknotes, coins, precious metals and other valuables in accordance with the Regulations on cash operations procedures in credit institutions within the Russian Federation, No. 318-P of April 24, 2008, and the requirements of the Regulations on cash operations in Sberbank of Russia OJSC and its branches, No. 628-4-r of April 20, 2009.

2.6. Methods of Valuating Individual Balance-Sheet Items

According to the Regulations of the Bank of Russia No. 302-P, the assets and liabilities shall be accounted 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 (from August 22, 2010, except for the amounts of received and issued advances and advance payments for the goods, work and services delivered, which are recognized on the balance-sheet accounts of settlements with non-resident organizations for business transactions) and precious metals are revalued following changes in the exchange rate and metal price and in accordance with the regulatory acts of the Bank of Russia;

- assets, claims and liabilities, the specific amount (value) of which is determined by using non-detachable embedded derivatives (NDED) shall be revalued (recalculated) on a daily basis with recognition of the resulting differences for respective income/expense items from the date of the transfer of ownership of the asset delivered (date of work acceptance or service provision) to the actual payment date;

- the cost of fixed assets shall change in the event of further construction, additional equipment, modernization, reconstruction, revaluation or partial liquidation of the respective items in accordance with the regulatory documents of the Bank of Russia. In particular, according to the Regulations of the Bank of Russia No. 302-P, the bank shall revalue the group of homogeneous fixed asset items at their current (replacement) cost. Moreover, fixed assets shall be regularly revalued, so that the cost under which they appear in the accounting records and financial statements will not differ materially from their current (replacement) cost. Increased property cost resulting from the revaluation shall be the source of Level 2 equity (capital). Pursuant to Regulations of the Bank of Russia "On Defining Proprietary Funds (Capital) of Lending Institutions" No. 215-P, the property revaluation may be included in the calculation of capital no more than once every 3 years based on data confirmed by the auditor;

- the immovable property temporarily unused in core activities, after its initial recognition, shall be valued at its current (fair) value.

The procedure for determining the current (fair) value of the immovable property temporarily unused in core activities is set out in the Methodology for Determining the Current (Fair) Value of Property Temporarily Unused in Core Activities.

The items of the immovable property temporarily unused in core activities are revalued at their current (fair) value on a quarterly basis.

If it proves impossible to determine the current (fair) value of an item, which is for the first time classified as property temporarily unused in core activities, after changing the way of its use, the Bank's headquarters and branches value this item at its initial value net of the accumulated amortization and accumulated impairment losses. Such items shall be checked for impairment once a year.

Such item will be further recognized at its initial value net of the accumulated amortization and accumulated impairment losses up to its disposal or transfer from the property temporarily unused in core activities;

- groups of homogeneous intangible assets may be revalued no more than once a year (at the beginning of the reporting year) at their current market value determined exclusively according to the data from the active market for the said intangible assets.

Subsequently, these assets shall be revalued on a regular basis, so that their residual value calculated as the difference between the initial cost and the amount of depreciation accrued does not substantially differ from their current market value¹.

Acquired positive business reputation may be tested for impairment in accordance with the laws of the Russian Federation and other regulatory legal acts. If there is evidence of impairment, the amount of impairment losses shall be determined;

- securities are accounted according to the actual costs of their acquisition. The actual acquisition costs for the interest bearing (coupon) securities include, besides the cost of the security at the acquisition price determined under the contract (transaction), the interest (coupon) income paid upon its acquisition.

After the initial recognition, the cost of debt obligations changes subject to interest income charged and received from the date of the 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 initial recognition of a derivative financial instrument in the accounting shall be made at the time of the contract, which is a derivative financial instrument (hereinafter also, the "contract").

From the date of their initial recognition, the derivative financial instruments shall be valued at their fair value.

The derivative financial instruments shall be revalued at their fair value on a daily basis.

2.7. Procedure and Frequency of Printing the Documents of Analytical and Synthetic Accounting

The headquarters and branches of the Bank shall compile and print the balance sheet of the credit institution (Annex 9 to the Regulations of the Bank of Russia No. 302-P) and a trial balance of accounts of the credit institution (Annex 8 to the Regulations of the Bank of Russia No. 302-P) on a daily basis.

¹ The current market value of an intangible asset means the amount of funds that could be received from the sale of such asset as of the date of the current market value. The current market value of an intangible asset shall be its fair value.

The profit and loss statement (Annex 4 to the Regulations of the Bank of Russia No. 302-P) shall be compiled and stored in electronic form; a hard copy of this statement shall be printed on the first day of the month following the reporting month.

The Headquarters and branches of the Bank may maintain the Open accounts ledger in electronic form. In this case, individual records of open and closed accounts shall be compiled on a daily basis in electronic form. The statements of open and closed accounts will be printed on paper if needed. On the first day of every year following the reporting year (as of January 1), the Ledger of opened accounts shall be printed on paper with regard to the accounts valid as of January 1.

Personal accounts with conducted transaction(s) and the documents that shall be stored for over 10 years, shall be printed and stored on paper as such transactions are performed. In this case, it is necessary to print the personal account where the documents are required to be stored for over 10 years.

2.8. Collaboration with Auditor

In order to conduct an effective external audit, and in accordance with Article 42 of the Federal Law "On Banks and Banking Activities", the Bank shall conduct the audit examination of the Bank's annual activities, while the audit firm shall confirm that the annual accounting statement of the Bank is correct.

The Audit Service Agreement and also the Procedure for collaboration of the divisions of the Bank with the audit firm shall be the main documents governing the relationship between the Bank and its audit firm.

3. Methodological Aspects of the Accounting Policy

3.1. Composition and Accounting of Income and Expenses of the Bank

3.1.1. The income and expenses shall be generated from transactions in Russian rubles, foreign currency, and precious metals. The income and expenses received/made in foreign currency shall be recalculated into rubles in accordance with the official rate of the Bank of Russia effective on the date of recording such income and expenses in the accounting system. The income and expenses received/made in precious metals shall be recalculated in rubles according to the accounting prices of the Bank of Russia effective on the date of their accounting recognition.

The income and expenses shall be reflected in the accounting records based on the principles defined in Annex 3 to the Regulations of the Bank of Russia No. 302-P.

3.1.2. Subject to the Regulations of the Bank of Russia No. 302-P, the income and expenses shall be reflected in the accounting system by the "accrual" method. This concept means that financial results of transactions (income and expenses) shall be reflected in the accounting system when they actually occur, and not when the funds (or their equivalents) are received or paid.

The income and expenses shall be reflected in the accounting in the period to which they relate.

3.1.3. The following shall be included into the income of the headquarters and branches of the Bank recorded in balance sheet account No. 706 "Financial Results of the Current Year".

- Income from bank operations and other transactions;
- Operating income;
- Other income.

The income from bank operations and other transactions shall include the following:

- Interest income (account 70601);
- Other income from bank operations and other transactions (account 70601).

The operating income shall include the following:

- Income from transactions with securities, excluding the interest, dividends, and revaluations (account 70601);
- Income from an interest in other entities (account 70601);
- Positive revaluation of securities (account 70602), funds in foreign currency (account 70603), precious metals (account 70604);
- Income from embedded derivatives that are non-detachable from the main contract (account No. 70605);
- Income from derivative financial instruments (account No. 70613).
- Other operating income (account 70601).

Other income shall include the following:

- Fines, penalties, forfeits (account 70601);
- Income of previous years identified in the reporting year (account 70601);
- Other income included in the category of other income (account 70601).

3.1.4. The expenses of the headquarters and branches of the Bank recorded in balance sheet account 706 "Financial Results of the Current Year" shall include the following:

- Expenses on bank operations and other transactions;
- Operating expenses;
- Other expenses.

Expenses on bank operations and other transactions shall include the following:

- Interest expenses (account 70606);
- Other expenses on bank operations and other transactions (account 70606).

Operating expenses shall include the following:

- Expenses on transactions with securities, except for interest, dividends, and revaluations (account 70606);
- Negative revaluation of securities (account 70607), funds in foreign currency (account 70608), precious metals (account 70609);
- Expenses on embedded derivatives that are non-detachable from the main contract (account No. 70610);
- Expenses on derivative financial instruments (account No. 70614);
- Other operating income (account 70606);
- Expenses associated with ensuring the activities of the credit institution (account 70606).

Other expenses shall include the following:

- Fines, penalties, forfeits (account 70606);
- Expenses of previous years identified in the reporting year (account 70606);
- Other expenses included in the category of other income (account 70606).

In addition, the expenses of headquarters shall include the following:

- Profit tax, including in the form of advance payments (account 70611);
- Payments from profit after tax: Using the profits distributed to shareholders (members) in the form of dividends, as well as profits directed at the creation (replenishment) of the reserve fund (account 70612).

3.1.5. Principles for recognizing and determining the income and expenses shall be defined in Annex 3 to the Regulations of the Bank of Russia No. 302-P.

The income shall be recognized in the accounting records subject to the following conditions:

- a) The right of the credit institution to receive such income arises from a specific contract or is confirmed by other relevant means;
- b) The amount of the income can be determined;
- c) There is no uncertainty with regard to receipt of the income;
- d) As a result of a specific transaction on delivery (sale) of the asset, performance of works, or provision of services, the title to the asset is transferred from the credit institution to the buyer or the work is accepted by the customer and the service is provided.

To acknowledge in the accounting system the interest income received from depositing (provision) of funds and precious metals, from acquiring debt obligations (including third-party bills), from securities lending, and incomes from providing other assets into temporary lease (ownership and use), the conditions described in clauses a–c shall be satisfied simultaneously.

Ambiguity (or absence thereof) in obtaining the revenues specified shall be defined on the basis of evaluation of the quality of loans, the quality of loan indebtedness and similar obligations (hereinafter "loan"), or the risk level of potential losses related to the asset (claim).

Income from loans, assets (claims) classified under quality categories I and II shall be considered well-defined (the probability of obtaining this income is absolute and/or high).

There is no ambiguity in obtaining income from loans and assets (claims) classified under quality category III. This principle shall apply to all loans, assets (claims) attributed to quality category III with no exception.

The receipt of income shall be recognized as uncertain (probability of receiving the income is troubled and/or bad) with regard to the loans, assets (claims) attributed to quality categories IV and V.

3.1.6. An expense shall be recognized in the accounting records subject to the following conditions:

- a) An expense is made (arises) in accordance with a specific contract, requirements of the law or other regulatory acts, or business practice;
- b) The amount of the expense can be determined;
- c) There is no uncertainty with regard to the expense;

As far as the works and services ordered (received, consumed, purchased) by the Bank are concerned, ambiguity is eliminated on the day when such works are accepted or the service is rendered.

3.1.7. Costs and disbursements to be compensated shall not be recognized as expenses and shall be accounted as accounts receivable.

3.1.8. Analytical accounting on revenues and expenses accounts shall only be performed in the currency of the Russian Federation.

Assets (claims) expressed in foreign currency shall be debited in the disposal (sale) accounts in accordance with the official exchange rate as of the date of sale. Assets (claims) expressed in precious metals shall be reflected in accordance with their accounting price as of the date of sale.

The ruble equivalent of the revenue in foreign currency received (to be received) under a contract shall be credited in the disposal (sale) accounts in accordance with the official exchange rate as of the date of sale.

Should source accounting documents forming the basis for reflecting transactions in the accounting and/or defining the date of recognizing the revenues or expenses be accepted for accounting at a later date for any reason, the difference between revaluation of foreign currency funds and precious metals at the date of accounting and the date of recognition (disposal) shall be reversed in correspondence with the accounts for foreign currency funds and precious metals, respectively.

3.2 Frequency for Writing Off Income and Expenses of Future Periods

A calendar year shall be the reporting period when assigning the amounts to the accounts of income (expenses) of future periods.

The amounts of income (expenses) of future periods shall be assigned to the accounts of income (expenses) in proportion to the elapsed time interval.

Headquarters and branches of the Bank shall on a monthly basis and no later than on the last working day write off the income (expenses) of future periods attributed to the corresponding month in the accounts of income (expenses).

The amounts of insurance premiums under property and personal insurance contracts paid during the month passed (including those for the remaining non-working days, should the last working day of the month not be the last calendar day of the month) shall be expensed no later than on the last working day of the month.

3.3. Formation of Financial Results

3.3.1. On the first working day of the new year following the preparation of the Balance Sheet as of January 1 of that year, the balances from the accounts of income (accounts 70601-70605) and expenses (accounts 70606-70611), as well as payments from the profits of the current year (70612) shall be transferred to the appropriate accounts of financial results for the previous year (accounts 70701 - 70712).

When preparing the Annual Report, the balances from accounts 70701-70712 shall be transferred to the account of profit (loss) for the previous year (708). The procedure of such transfer shall be defined in individual regulatory documents.

3.3.2. The procedure of using the profits, and also retained profits reflected in account 108, shall be governed by the laws of the Russian Federation and individual regulatory documents of the Bank.

3.4. Formation of Provisions for Future Expenses

In order to assign costs evenly to expenses of the Bank, the headquarters and branches of the Bank shall create provisions for future expenses (account 60348) to pay the annual remuneration for long service, remuneration based on the results of the year, and the staff retirement plan under the Corporate Retirement Program. The procedure for creating and using the provisions for future expenses shall be governed by individual regulatory documents of the Bank.

3.5. Accounting for Settlements with Budget for Taxes and Duties and State Non-budget Funds for Mandatory Insurance Premiums

3.5.1. Basic principles that regulate measures aimed at satisfying the requirements of legislation on taxes, duties, and mandatory insurance premiums shall be defined in the Accounting Policy of the Bank for taxation purposes.

3.5.2. Payment of income tax to the budget (including the tax on income received as interest on state and municipal securities) shall be reflected in account 70611 "Income tax" in the headquarters' balance sheet.

The amounts of profit tax owed for the reporting period shall be calculated and reflected in the accounting records for the period following the reporting period but no later than the payment deadlines established by the tax legislation.

3.6. Accounting for Non-cash Settlements, including Intra-subsidary Settlements

3.6.1. Accounting for non-cash settlements shall be based on the regulatory documents of the Bank of Russia: Regulations of the Bank of Russia No. 2-R of October 03, 2010, "On non-cash settlements in the Russian Federation" and Regulations of the Bank of Russia No. 222-P of April 01, 2003, "On procedure for non-cash settlements by individuals in the Russian Federation" and it will be defined by individual internal regulatory documents of the Bank.

3.6.2. Accounting for intra-subsidary settlements in the Bank shall be based on the Regulations of the Bank of Russia No. 2-R of October 03, 2010, "On non-cash settlements in the

Russian Federation" and Regulation on intra-subsidary settlements in Sberbank of Russia" No. 355-4-r of March 27, 2002.

3.6.3. Analytical accounting of accounts 30301 and 30302 "Settlements with the Branches within the Russian Federation" shall be performed as follows.

Two types of intra-subsidary settlement accounts shall be maintained in the balance sheets of headquarters and branches of the Bank.

3.6.3.1. **Type I:** intra-subsidary settlement accounts (ISS accounts) opened at the Processing Center of the Bank for the regional banks and in the cash management divisions of regional banks for the subordinate branch offices.

In accordance with the Working Chart of Accounts of the Bank, the accounts of Type I shall include the following accounts of the third order:

- 30301.6/30302.6 "Intra-subsidary settlement accounts of Sberbank entities at Sberbank processing centers";
- 30301.7/30302.7 "Intra-subsidary settlement accounts of Sberbank entities in precious metals (except gold)";
- 30301.8/30302.8 "Intra-subsidary settlement accounts of Sberbank entities in gold";
- 30301.6/30302.6 "Intra-subsidary settlement accounts of foreign-based Sberbank branches opened in the Settlement Centers of Sberbank".

In the said third-level accounts, a pair of settlement accounts (assets and liabilities) in the currency of the Russian Federation, in foreign currencies, in precious metals (except gold), and in gold shall be opened for each division participating in the settlements. Each pair of opened settlement accounts shall reflect a group of transactions during the day: settlement transactions in the currency of the Russian Federation, in foreign currencies, in precious metals (except gold), and in gold.

A unified result shall be calculated on a daily basis for the corresponding pair of individual accounts with regard to the group of settlement transactions reflected in the course of the day. At the end of every day, the lower balance shall be written off to the account with a higher balance.

The procedure for opening, closing and maintaining ISS accounts, and also calculating the unified result for each participant in the settlements shall be governed by the "Regulations on intra-subsidary settlements in Sberbank of Russia" No. 355-4-r of March 27, 2003.

3.6.3.2. **Type II:** accounts for recording settlements and reciprocal debts between the participants of settlements of different levels (between branches and between branches and the headquarters) related to the transactions performed.

In accordance with the Working Chart of Accounts of the Bank, the accounts of Type II shall include the following accounts of the third order:

- 30301.2/30302.2 "Intra-regional settlements" shall be the accounts for recording settlements and reciprocal debts between a regional bank and its subordinate divisions; and between the divisions reporting to one regional bank;
- 30301.3/30302.3 "Inter-regional settlements" — accounts for accounting settlements and reciprocal debts between regional banks; or between divisions reporting to different regional banks;
- 30301.4/30302.4 "Settlements between the branches and Sberbank of Russia" — accounts for accounting settlements and reciprocal debts between regional banks and the Bank's headquarters (on the account balance of the regional banks);
- 30301.5/30302.5 "Settlements between Sberbank of Russia and its branches" — accounts for accounting settlements and reciprocal debts between regional banks and the Bank's headquarters (on the account balance of the headquarters);
- 30303.4/30304.4 "Settlements between the branches located abroad and Sberbank of Russia" — accounts for accounting settlements and reciprocal debts between the branches located abroad and the headquarters of the Bank (on the account balance of the branches located abroad);

- 30303.5/30304.5 "Settlements between Sberbank of Russia and its branches located abroad" — accounts for accounting settlements and reciprocal debts between branches located abroad and the Bank's headquarters (on the balance account of the headquarters).

In the said third-level accounts, a pair of settlement accounts (assets and liabilities) shall be opened for each participant of such intra-subsidary settlement transactions with which reciprocal debts may be formed. Such a pair of settlement accounts shall be formed for a group of operations within a single financial and business area broken down by currencies and precious metals. Moreover, as of January 1, a pair of settlement accounts (assets and liabilities) shall be created for balancing the individual accounts opened for one participant in intra-subsidary settlements with regard to one type of currency/precious metals in all areas of finance and business activities.

The unified result shall be calculated for a group of transactions performed within a single financial and business area, in one type of currency (precious metals) and reflected during the day in the appropriate pair of settlement accounts. In order to do this, at the end of every day, the lower balance shall be written off to the account with a higher balance.

The procedure for accumulating reciprocal debts for a group of operations within a single financial and business area, as well as the procedures and terms of settlement between the participants of intra-subsidary settlements, the balance sheet of which has accumulated such debt (debt repayment procedure), shall be governed by internal regulatory documents of the Bank. After the settlements, the reciprocal debt between two participants of intra-subsidary settlements for the transactions performed shall be cleared.

3.6.3.3. As of January 1 (on an annual basis), the individual accounts opened in one type of currency/precious metals for one participant in intra-subsidary settlements with regard to all areas of finance and business activities shall be balanced for the second type of group of transactions. To this end, the balances of corresponding individual accounts (after establishing on a daily basis the unified result for the group of transactions within a single area of finance and business activities) shall be transferred by account postings to a single, specifically opened account (pair of individual accounts – assets and liabilities). The settlements between the participants related to the balances of the specified individual accounts shall be performed on the date established by the Bank.

3.6.3.4. In particular, the group of transactions within a single area of finance and business activities will include the following:

- Settlements related to intra-system transfer of the financial result;
- Settlements with regard to centralized payment of profit tax;
- Payment/exchange of the Bank's bills issued by other divisions;
- Payment for saving certificates issued by other divisions;
- Settlements with regard to BLITZ express money transfers;
- Settlements with regard to commemorative coins;
- Settlements between the divisions of the Bank related to cash (support, handing back surpluses, invalid currency);
- Settlements with regard to material valuables in terms of centralized supplies;
- Settlements with regard to transactions for the purchase and sale of currencies;
- Settlements with regard to precious metals;
- Settlements with regard to settlement checks issued by other divisions;
- Settlements with regard to traveler's checks;
- Settlements with regard to certificates of deposit issued by other divisions;
- Settlements with regard to intra-regional transfers of material valuables;
- Settlements with regard to other transactions;
- Settlements with regard to commission fee for brokerage services;

- Settlements with regard to third-party depositories and registrars;
- Settlements with regard to transactions for purchase and sale of securities by the headquarters as instructed by regional banks;
- Settlements with regard to overdraft lending for accounts of corporate customers (in the event of centralized transactions);
- Settlements with regard to transactions for issuing and repaying centralized retail loans;
- Settlements with regard to transactions of lending to corporate customers and provided bank guarantees (in the event of centralized transactions);
- Settlements with regard to compensation payments on deposits (in the event of centralized transactions).

Single area transactions in finance and business activities mean a type of transactions that allows mutual debt with one participant of settlements.

3.7. Accounting for Intra-system Settlements

3.7.1. Settlements between the headquarters and branches of the Bank, and between the branches of the Bank in relation to intra-system transactions described in certain internal regulatory documents of the Bank shall be performed by redistribution of the resources reflected in balance sheet accounts No. 30305 "Settlements between divisions of a single credit institution with regard to obtained resources" and No. 30306 "Settlements between divisions of a single credit institution with regard to transferred resources".

30305.07 — "Resources received by a regional bank from Sberbank of Russia as payment under intra-system transactions"

30305.08 — "Resources received by Sberbank of Russia from a regional bank as payment under intra-system transactions"

30305.09 — "Resources received by a regional bank from another regional bank as payment under intra-system transactions"

30305.10 — "Resources received by a regional bank from Sberbank of Russia as interest on the intra-system transfer of available lending resources"

30305.11 — "Resources received by Sberbank of Russia from a regional bank as interest on the intra-system transfer of available lending resources"

30305.12 — "Resources received by a regional bank from another regional bank as interest on the intra-system transfer of available lending resources"

30305.13 — "Resources received as payment under intra-system trade finance transactions related to foreign trade"

30305.14 — "Resources received as payment under intra-system cash transactions"

30305.15 — "Resources received as payment under intra-system cash collection transactions"

30305.16 — "Resources received as payment under intra-system currency exchange transactions"

30305.17 — "Resources received as payment under intra-system banknote transactions"

30305.18 — "Resources received as payment under intra-system transactions with precious metals"

30305.19 - "Resources in the form of settlements with regard to payments to the state budget"

30306.07 — "Resources received as payment under intra-system transactions and transferred to Sberbank of Russia by a regional bank"

30306.08 — "Resources received as payment under intra-system transactions and transferred by Sberbank of Russia to a regional bank"

30306.09 — "Resources received as payment under intra-system transactions and transferred by a regional bank to another regional bank"

30306.10 — "Resources received as interest on the intra-system transfer of available lending resources and transferred to Sberbank of Russia by a regional bank"

30306.11 — "Resources received as interest on the intra-system transfer of available lending resources and transferred by Sberbank of Russia to a regional bank"

30306.12 — "Resources received as interest on the intra-system transfer of available lending resources and transferred by a regional bank to another regional bank"

30306.13 — "Resources received as payment under intra-system trade finance transactions related to foreign trade"

30306.14 — "Resources received as payment under intra-system cash transactions"

30306.15 — "Resources received as payment under intra-system cash collection transactions"

30306.16 — "Resources received as payment under intra-system currency exchange transactions"

30306.17 — "Resources received as payment under intra-system banknote transactions"

30306.18 — "Resources received as payment under intra-system transactions with precious metals"

30306.19 — "Resources received as settlements related to budgetary payments".

Accounts 30305.07-30305.08 and 30306.07-30306.08 shall reflect the payments received/transferred by regional banks/Bank with regard to intra-system transactions, that have the procedure of mutual settlements determined by "Rules for linked settlements with the regional banks of Sberbank of Russia with regard to intra-system transactions" No. 745-2-r of December 30, 2010.

Accounts Nos. 30305.09 and 30306.09 shall reflect the payments received/transferred by one regional bank to another regional bank under intra-system transactions, including transit payment fees (for transit payments between the regional banks performed via the Bank of Russia processing system).

Accounts 30305.10-30305.12 and 30306.10-30306.12 shall reflect income/expenses received/transferred by regional banks/Bank with regard to transactions of intra-system transfer of available lending resources.

Accounts 30305.13-30305.18 and 30306.13-30306.18 shall reflect income/expenses received/transferred by regional banks/Bank with regard to intra-system foreign trade finance transactions, cash desk transactions, cash collection operations, currency exchange transactions, banknote operations, and transactions with precious metals.

Accounts 30305.19 and 30306.19 shall reflect intra-system income/expenses received by the Bank and transferred by the regional banks of the Bank during settlements with the state budget with regard to tax payments.

3.7.2. Redistribution of resources between the headquarters and the Bank's branches, and between different branches of the Bank shall be conducted on a paid basis. Payments shall be made by transferring the resources recorded in the corresponding third-level accounts of balance sheet accounts 30305 "Settlements between divisions of a single credit institution with regard to obtained resources" and No. 30306 "Settlements between divisions of a single credit institution with regard to transferred resources".

3.8. Accounting for Customer Lending Transactions

Accounting for lending transactions shall be based on the regulatory documents of the Bank of Russia: the Regulations of the Bank of Russia No. 302-P, Regulations of the Bank of Russia No. 54-P "On provision (investment) and return (repayment) of funds by credit institutions" of August 31, 1998, and certain internal regulatory documents of the Bank.

The principles of recognizing interest income on loans provided shall be defined in Annex 3 to the Regulations of the Bank of Russia No. 302-P, and clause 3.1.5 of the Accounting Policy of the Bank.

In case of deterioration of loans and their re-classification to the quality categories IV–V, where the income is defined as troubled or the debt is considered irrecoverable (hereinafter, "troubled"), the amounts that have not been actually received as of such re-classification date, shall not be written off from the income accounts.

The claims for receiving the said income (due and/or overdue) will still be recorded in corresponding balance sheet accounts.

In case of improvement of the quality of loans (when loans are reclassified into quality categories I–III, where there is no ambiguity in obtaining the income), all the amounts that are due as of the re-classification date (inclusive) shall be accrued and accounted as income.

The interest accrued on the loans with quality category I–III (there is no ambiguity in obtaining the income) shall be accounted as revenues on the day when such interest is due under the contract.

In the last working day of the month, all interest accrued over the past month (including remaining non-working days if the last working day of the month does not coincide with its end) or the interest further accrued from the above date shall be assigned to income.

Interest on loans of quality category IV–V (defined as troubled) shall be reflected on income accounts when they are actually received.

Accounting of interest on loans of IV–V categories that are defined as troubled shall be performed on the off-balance sheet accounts for accounting uncollected interest until such interest is actually received.

3.9. Accounting for Transactions with Securities

3.9.1. Fundamentals of Accounting for Investments in Securities

Transactions with securities shall be performed in accordance with the laws of the Russian Federation, including the regulatory acts of the Bank of Russia. Investments in securities shall be accounted in accordance with the Regulations of the Bank of Russia No. 302-P.

3.9.1.1. Initial Recognition and Ending the Recognition of Securities

The accounting of investments in securities shall be defined by the purpose of their acquisition. Security classification principles shall be defined in the regulatory documents of the Bank.

Reclassification of debt securities (transfer from one accounting category to another), when the Bank changes its intentions with regard to such securities, shall be performed in the following cases:

- Debt obligations "available for sale" shall be reclassified as "held till redemption". The amounts of investments shall be transferred to the corresponding balance sheet accounts and the amounts of revaluation will be assigned to operating income or expenses;
- Debt obligations "held till redemption" shall be reclassified as "available for sale" subject to one of the conditions defined by the individual regulatory document of the Bank.

The decisions on reclassification of securities shall be adopted in accordance with the procedure defined in the individual regulatory document of the Bank. Reclassification of securities and their transfer to the corresponding balance sheet accounts shall be performed using FIFO methodology, taking into account the book value of securities at the date of such transfer. The order for writing off the securities transferred from one category into another shall be defined in accordance with the actual (initial) date of acquiring such securities in accordance with FIFO methodology. The securities transferred shall be reflected in the corresponding individual accounts opened for the second-level balance sheet accounts on the day of the transaction while storing the information on the date when these were reflected in the individual accounts opened for the

second-level balance sheet accounts from which they are transferred. The FIFO method shall be applied within each portfolio of securities.

The securities acquired as part of controlling interest shall be subject to mandatory transfer to accounts for investments in securities when the total number of voting shares of the issuer held by the Bank exceeds (drops below) the number of shares that meets the criteria of material effect established by the Regulations of the Bank of Russia No. 191-P of July 30, 2002 (as amended).

All transfers of debt with regard to the monetary funds shall be based on the instructions of services authorized by a collective body of the Bank.

Securities shall be accepted for accounting in the balance sheet of branches and the headquarters of the Bank at the price of acquisition defined by the terms of contract (transaction). If securities are acquired under DFI contracts, the cost of securities shall be determined according to DFI cost. The acquired securities shall be recognized in the accounting records upon receipt of the primary documents confirming the transfer of ownership of a security, or upon fulfillment of the provisions of the contract (transaction) determining the transfer of ownership. For the interest (coupon) securities, the acquisition price shall include the interest (coupon) income paid upon acquisition thereof.

The amount of the costs associated with the acquisition of securities shall be immaterial for the Bank compared to the volume of performed transactions, and also relative to the aggregate amount of the Bank's expenses for the comparable period. As a result, all expenses for payment of services related to the acquisition of securities shall be assigned by the Bank to operating expenses in the month when the securities have been accepted for accounting. If the Bank subsequently does not adopt the decision to acquire securities, the value of preliminary costs shall be also assigned to operating expenses. In this case, the grounds for writing off the amounts as expenses shall be the decision not to acquire securities formalized in accordance with the procedure established by the bank.

Preliminary costs of acquisition and disposal (sale) of securities shall be recorded in balance sheet account No. 50905. After the initial recognition, the cost of debt obligations shall change by taking into account the interest incomes charged and received from the time of the initial recognition of the debt obligations. Interest (coupon) income will be accrued and reflected in the accounting records on a daily basis. Accrual of interest income with regard to the debt obligations shall be based on an effective rate method in accordance with the individual regulatory document of the Bank. The analytical accounting of accrued interest income shall be performed in a single individual account.

In the event of disposal (sale) of securities, their value shall increase by the amount of additional expenditures (costs) arising on the date of the sale and directly related to the disposal (sale). If the costs related to the retirement (disposal) of securities accumulate after their disposal, their cost shall be accounted as operating expenses. Analytical accounting of investments in securities, accrued interest (coupon payment) income, and security revaluation amounts shall be defined by the regulatory documents of the Bank describing transactions with securities and accounting of investments in securities. In this case, the analytical accounting for issue-grade securities and securities with an international security identification number (ISIN) shall provide information about the value of disposed (sold) securities in terms of their issues.

3.9.1.2. Procedure and Frequency of Securities Revaluation

From initial recognition and until derecognition, investments in securities shall be evaluated (revalued) based on their current (fair) value or by creating provisions for potential losses. The current (fair) value of securities for revaluation of investments shall be determined by the Department of Finance. The methods for determining the current (fair) value of securities shall be provided in the Methodology for Determining the Current Fair Value of Financial Instruments. 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 obligations "held till redemption" and debt obligations which were not redeemed in time shall not be revalued. Positive revaluation shall be defined as the excess of the current (fair) value of securities of this issue (issuer) over their balance cost. Negative revaluation shall be defined as the excess of the book

value of securities of a given issue (issuer) over their current (fair) value. The book value for the securities accounted in foreign currency shall be their ruble-denominated equivalent at the official exchange rate of the Central Bank of the Russian Federation as of the date of revaluation. In the event of partial retirement of securities evaluated by their fair value through profit or loss, the revalued amounts that relate to the retired securities shall not be written off, but adjusted during the next scheduled revaluation. In the event of complete disposal of this category of securities in the corresponding issue, the amounts of revaluation assigned to such issue shall be written off to accounts for income and expenses from revaluation. If it is impossible to determine subsequently the current (fair) value of securities "available for sale" after its initial recognition, or there is evidence of impairment of such securities, the amounts of revaluation of such securities shall be assigned from accounts No. 10603 and 10605 to the accounts for operating income or expenses. In this case, the difference from revaluation of securities recorded in contra accounts No. 50220, 50221, 50720, and 50721 shall not be written off from these accounts and will be further accounted until such securities are written off accounts No. 502 and 507. Later, the provisions for possible losses will be created for investments in such securities.

3.9.1.3. Procedure for Disposal of Securities.

In the event of retirement (sale) of securities from the same issue or securities with the same international securities identification number (ISIN), the headquarters and branches of the Bank shall use the FIFO method for writing off the costs from balance accounts of the second level. In accordance with the FIFO method, the investments in the security that was acquired the first with regard to the date of its sale shall be written off during retirement. The FIFO method shall be applied within each portfolio of securities. When a security is redeemed, the retirement date shall be the day when the issuer fulfills its obligations related to the redemption of such security. In all other cases, the date of disposal shall be the date of transferring the rights to security as determined under article 29 of the Federal Law "On the Securities Market", or the terms of the contract (transaction), if this is provided by the laws of the Russian Federation.

When writing off the securities acquired at the same date from the balance sheet, the securities that were entered first into the registry of purchases shall be written off first. In this case, the purchase transaction with the first sequence number shall correspond to the sale transaction with the first sequence number entered in the registries (files) of purchases and sales, respectively. The ledgers (files) of purchases and sales shall be established according to the date of the flow of securities (date of delivery) by the trading division represented by the Department of Treasury and Financial Markets of the Bank or corresponding divisions in the branches of the Bank, which shall define the sequence of entering transactions in these ledgers. At the end of the day, the ledgers (files) of purchases and sales shall be transferred to the division that is following up and recording transactions.

In the event of partial redemption by the issuer of the par value of debt obligation, the balance sheet account No. 61210 shall not be applied given the absence of any financial result. In the event of full redemption of securities, the amount of last payment shall be reflected in the accounting records by using account No. 61210.

If the issuer does not fulfill its obligations to redeem the debt obligations in time, the securities shall be transferred to the account for debt obligations that were not redeemed in time. Such transfer shall be performed according to the value, including the revaluation, reflected in contra accounts No. 50120, 50121, 50220, 50221. In this case, for securities "available for sale" excluding specified entries, the amounts of revaluation shall be written off from accounts 10603, 10605 to the accounts for operating income and expenses. The same procedure shall be followed for accounting the transfer of securities "evaluated by their fair value through profit or loss" and "available for sale" to account 601 with a view to control joint-stock company management or rendering significant influence on the activity of the joint-stock company.

3.9.1.4. Recognition of Income from Securities

The recognition of income from securities shall be performed as follows:

The income shall be recognized as uncertain with regard to:

- Debt securities which have a provision created for possible losses and are attributed to quality categories IV and V;
- Debt securities assessed at their current (fair) value where the issuer delayed the performance of its obligations (redemption of the coupon, part of par value) for more than 30 calendar days. Later, the receipt of the income shall be again recognized as certain subject to performance by the issuer of its previously non-performed obligations.

With regard to all other securities, the receipt of the income shall be recognized as certain.

3.9.1.5. Intra-system Transactions with Securities

Intra-system transactions with securities shall be performed between the branches and headquarters of the Bank.

Intra-system transactions with securities are the redistribution of securities within the system of the Bank and shall be performed according to balance sheet prices as of the date of redistribution for each lot of securities. In this case, the receiving division must store the information on initial value of investments and the date of their acquisition.

The order for writing off securities received by redistribution from the balance sheet shall be established in accordance with the actual (initial) date of acquisition of such securities by using the FIFO method.

The compensation of accumulated revaluation with regard to securities available for sale to divisions that transferred securities for the actual period of holding such securities shall be provided by redistribution of resources.

3.9.2. Accounting for the Transactions of Purchase and Sale of Securities with the Obligation of their Subsequent Sale/Repurchase (REPO transactions).

The accounting for transactions of purchase and sale of securities with the obligation of their subsequent sale/repurchase is developed in accordance with the following documents:

- Regulations of the Bank of Russia No. 302-P of March 26, 2007, "On the rules of accounting by credit institutions located within the Russian Federation";
- Letter of the Bank of Russia No. 141-T of September 07, 2007, "On recording securities purchase and sale transactions with the subsequent obligation of their sale and repurchase";
- Regulations of the Bank of Russia No. 220-P of March 25, 2003, "On the procedure for making and performing REPO transactions with government securities of the Russian Federation".

3.9.2.1. Classification of REPO Transactions

In accordance with Federal Law "On Securities Market" No. 39-FZ of April 22, 1996, REPO is a contract (transaction) under which one party (the seller under REPO) shall, within the time frame established by such contract, transfer the ownership of securities to the other party (the buyer under REPO), and the buyer under REPO shall accept the securities and pay a certain amount for them (first part of REPO), and under which the buyer under REPO shall, within the time frame established by such contract, transfer the ownership of securities to the buyer under REPO, and the seller under REPO shall accept the securities and pay a certain amount for them (second part of REPO).

REPO transactions shall meet the following requirements:

- the period of a REPO transaction from the date of the contract and until the performance of the 2nd part (including the period of its extension) shall not exceed the number of days left until December 31 of the year following the year, in which such REPO transaction was made;
- the funds received/transferred under the first part of a REPO transaction shall be recognized in the balance sheet accounts of other attracted (allocated) funds.

For reverse transactions (REPO transactions), the Bank shall determine the following procedure for recognizing / derecognizing investments in securities.

Acquisition of title to securities under transactions made on the terms of time limitation, reimbursement and payment (reverse REPO transactions) does not constitute the basis for initial recognition.

Securities obtained from reverse transactions (reverse REPO transactions) shall be subject to recognition in the event the counterparty fails to perform or improperly performs its obligations under the contract (second part of the transaction) in accordance with the procedure prescribed by the Bank's regulatory documents governing reverse transactions with securities. The procedure for classifying the said securities recognized by the Bank as a result of failure by the counterparty to fulfill its obligations under the contract (second part of the transaction) shall be established under a separate regulatory document.

Transfer of ownership of securities under transactions made on the terms of time limitation, reimbursement and payment (direct REPO transactions) shall not be the basis for derecognition of securities.

If the counterparty fails to perform or improperly performs its obligations to return the securities (the second part of the REPO transaction), the Bank shall derecognize such securities upon the decision of the Supervisor of the Functional Unit, the division of which made such REPO transaction.

Compensation payments under REPO transactions shall be the amount of funds (securities) to be transferred (delivered) by the initial seller (initial buyer) under specific circumstances to the counterparty to the REPO transaction, and which change the scope of obligations under the second part of the REPO transaction.

The income from REPO transactions shall be recognized as certain.

Marginal payments under REPO transactions shall be the amounts of funds (securities) that under certain circumstances must be transferred by the initial seller (initial buyer) to the counterparty to the term and reverse REPO transaction, and which do not change the scope of obligations under the second part of the REPO transaction.

3.9.2.2. Accounting for Securities Sale Transactions with a Repurchase Obligation (Direct REPO Transactions) by Using Securities Received in the 1st Part of the Transaction to Purchase Securities with a Resale Obligation (Reverse REPO Transactions).

The securities sale transactions with a repurchase obligation (direct REPO transactions) funded by the securities acquired under the first part of a securities purchase transaction with a resale obligation (reverse REPO transactions) shall be performed in accordance with the procedure defined in the regulatory documents of the Bank.

The securities acquired under the first part of a reverse REPO transaction shall be revalued in the off-balance accounts on the last working day of the month and on the last working day preceding the date of transfer of such securities under the first part of the direct REPO transaction until they are transferred under the first part of a direct REPO transaction.

If the dates of performing the 1st parts of corresponding reverse and direct REPO transactions coincide, there will be no revaluation of securities.

The revaluation at the current (fair) value of claims and obligations with regard to reverse delivery of securities shall be performed on a daily basis.

The matching of securities transferred in the 2nd part of a reverse REPO transaction shall be performed with:

- Securities acquired under the first part of the REPO transaction and not transferred under the first part of a direct REPO transaction;
- Securities held by the Bank in its own portfolio, ("at fair value through profit or loss" or "available for sale" depending on which of these portfolios received the delivery of securities after the performance of the 2nd part of a direct REPO transaction). In this case, the matching shall involve securities received in the 2nd part of the direct REPO transaction (if the 1st part of the direct REPO transaction was performed using the securities received in the 1st part of the said

reverse REPO transaction), regardless of whether the portfolio includes any previously purchased securities.

3.9.3. Accounting for Transactions with Issued Securities

The procedure for recording transactions on the issue of promissory notes, deposit and savings certificates by the Bank shall be governed by the Regulations of the Bank of Russia No. 302-P and for the certificates also by the Regulations of the Bank of Russia No. 103-P of December 30, 1999 "On the procedure for recording transactions related to the issue and redemption of savings and deposit certificates by credit institutions".

In the Bank, the procedure for recording transactions with issued promissory notes, deposit and savings certificates shall be defined by internal regulatory documents of the Bank.

Interest on the saving certificates shall be accrued for the amount of investment specified in the certificate's details. The amount of accrued interest shall be reflected in the accounts on a monthly basis on the last working day of the reporting month. The interest for the last calendar days of the reporting month that fall on weekends or holidays shall be reflected in the corresponding accounts on the last working day of the reporting month. At the end of the transaction day that is the last working day before the claim of deposit under the savings certificate, the interest shall be additionally accrued and reflected in the accounting records up to the amount specified in the details of the certificate, and the nominal value of the certificate shall be transferred for execution to the account of issued certificates.

The interest on the amount of deposit under the deposit certificate shall be accrued in accordance with the rate specified in the certificate starting from the day following the date when the funds were deposited to the Bank and until the date of the claim for the amount under the certificate specified in the securities, inclusive. If the date for claiming the amount under the certificate specified in the securities falls on a statutory non-working day (holiday, day off), the interest on the amount of deposit shall be accrued in accordance with the rate specified in the certificate until the first working day following the day of the claim, inclusive. Starting from the next working day, the interest on the amount of deposit shall not be accrued and paid. The amount of accrued interest shall be reflected in the accounts on a monthly basis on the last working day of the reporting month. The interest for the last calendar days of the reporting month that fall on non-working days shall be reflected in the corresponding accounts in the Balance Sheet of the Bank on the last working day of the reporting month. The interest shall be accrued on each certificate starting from the day following the date of deposit.

The Bank shall issue interest and discount bills with the payment terms specified in specific regulatory documents. The income to the holder of an interest-bearing promissory note shall be formed by the interest accrued to the amount of the promissory note (its par value). The income to the holder of discount promissory note shall be formed by the discount, i. e. the difference between the amount of the promissory note (its nominal value) and sale price of the promissory note. The amount of accrued interest on all outstanding (unpaid) interest-bearing promissory notes as of the last working day of the month shall be reflected on a monthly basis on the last working day of the reporting month. The balance of the last working day of the reporting month shall reflect all interest accrued during the reporting month, including the remaining non-working days, should the last working day of the month not be the last calendar day of the month. The discount shall be written off for the expenses of the Bank on a monthly basis on the last working day of the reporting month in the amount attributed to the corresponding month and also at the time of paying the promissory note prior to the payment date under the promissory note and on the payment date under the promissory note (in the amount that was additionally accrued from the beginning of the month and must be assigned to expenses).

3.10. Accounting for transactions with property (fixed assets, immovable property temporarily unused in core activities, inventories, and intangible assets)

Transactions with fixed assets, intangible assets, and inventories shall be recorded in accordance with the Annex 10 to the Regulations of the Bank of Russia No. 302-P, and the regulatory documents of the Ministry of Finance of the Russian Federation that govern the accounting of property (where they do not contradict the Regulations No. 302-P).

The headquarters and branches of the Bank shall classify the property accepted for accounting from January 1, 2003, by fixed asset, intangible assets and inventories in accordance with the regulatory acts of the Bank of Russia and the Accounting Policy of the Bank.

From January 1, 2012, the Bank's headquarters and branches classify the property by fixed assets, immovable property temporarily unused in core activities, intangible assets and inventories in accordance with the regulatory documents of the Bank of Russia and the Bank's Accounting Policy.

The structure of costs on establishment (construction), creation (manufacturing), and acquisition of property (including the tax amounts) shall be defined in accordance with the laws of the Russian Federation including the regulatory legal acts of the Ministry of Finance of the Russian Federation.

The initial value of the property received as a contribution to the Charter Capital shall be its monetary estimate agreed by the founders (members) unless otherwise provided by the laws of the Russian Federation, and the actual costs for delivering and bringing it up to a condition where it will be fit for use.

The initial value of property received under a gift contract and in other cases of gratuitous receipt shall be the market price of such property at the date of its acceptance for accounting and the actual costs for delivering and bringing it up to a condition where it will be fit for use.

The initial value of the property received under the contracts providing for performance of obligations by non-monetary means shall be the market price of such property at the date of its acceptance for accounting and the actual costs for delivering and bringing it up to a condition where it will be fit for use.

When determining the market price, the Bank shall be governed by the tax laws of the Russian Federation.

The evaluation of the property, where the cost at acquisition is expressed in foreign currency, shall be made in rubles at the official exchange rate established by the Bank of Russia and effective at the date of accepting such property for accounting.

The capital investments, fixed assets, intangible assets, and inventories shall be recorded without value added tax in the balance sheet of headquarters and branches of the Bank, except for the property listed in paragraph 11 of this clause.

VAT amounts paid in relation to capital investments, acquisition of fixed assets, intangible assets, and inventories shall be separately accounted on balance account 60301 "Value added tax, paid" with the date when the material values were delivered or when the corresponding settlements were performed in case settlements with the contractor are made under contracts and followed by payments. The amounts of VAT paid to foreign legal entities when acquiring goods (works, services and intangible assets) shall be marked in account 60310 by the date of settlements with the foreign legal entity that is not registered with the tax authorities as a tax payer regardless of the payment procedure (advance or post-payment) under the contract. The allocation of the paid value added tax, marked in account 60310, to expenses shall be performed in accordance with the "Technological scheme for centralized calculation and payment of value added tax by Sberbank of Russia OJSC" No. 724-2-r of April 06, 2006, and "Procedure for maintaining journals of received and issued invoices, single purchase ledger and sale ledger of Sberbank of Russia" No. 937-r of July 07, 2002 (as amended).

From October 1, 2011, the value added tax paid at acquisition shall be included in the cost of the property acquired as a result of transactions under compensation and pledge contracts and accepted for recording in balance sheet account 61011 "Non-current Inventories" and intended for further sale, and the property acquired for charity purposes and accepted for recording in balance sheet account 61008 "Materials" (regardless of its cost).

In the event of a decision to use the property, acquired as a result of transactions under compensation and pledge contracts, in the proprietary activities or to classify it as immovable property temporarily unused in core activities, the value added tax will be recognized in balance sheet account 60310.

3.10.1. Fixed Assets Accounting

3.10.1.1. Fixed assets shall be accepted for accounting when they are built (constructed), created (manufactured), acquired (including under a settlement agreement), received from founders (members) as contribution to the Charter Capital, received under a gift contract, in other cases of gratuitous receipt and as part of other proceeds.

3.10.1.2. The initial value of a fixed asset acquired for payment, including a used one, shall be recognized as the amount of actual costs of the credit institution to build (construct), create (manufacture), acquire, deliver and bring to a condition where it will be suitable for use.

3.10.1.3. The cost of fixed assets changes 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.

The costs of of further construction, additional equipment, modernization, reconstruction and technical upgrade of fixed asset items after the end of corresponding works shall increase the initial value of items if such works result in an improvement (increase) of initially adopted standard indicators for the operation of a fixed asset item. The recording of such transactions in the process of their performance shall be conducted in accordance with the procedure established for capital investments. Following the end of the said works, the amounts of costs shall be allocated to the increase in the value of fixed assets or recorded as separate inventory items.

3.10.1.4. The value limit for items recorded as fixed assets.

Since January 1, 2003, the value limit for items recorded as fixed assets is established in the amount of 10 thousand rubles. The items of immovable property recorded since January 01, 2003, shall be recorded as part of fixed assets regardless of their value.

Since January 1, 2007, the value limit of items recorded as fixed assets has been established in the amount of 40,000 rubles².

The items acquired and commissioned (handed over) from January 01, 2003, through January 01, 2007, with a value ranging from 5,000 to 10,000 rubles and with a useful life exceeding 12 months (furniture, equipment, office equipment, computer equipment, special clothing, sports uniforms, communications equipment) shall be recorded as expenses of the bank at their disposal.

The items that were not commissioned (handed over) with a value under 10,000 rubles and with a useful life exceeding 12 months (furniture, equipment, office equipment, computer equipment, special clothing, sports parade uniforms, communications equipment, electric tools, household appliances) shall be recorded as expenses at the time of their handover for operation by the responsible person.

From January 1, 2011, the value limit of items recorded as fixed assets is set in the amount of 40,000 rubles. From January 1, 2012, items valued at more than 40,000 rubles per unit are recorded as part of fixed assets.

The items acquired and commissioned (handed over) from January 1, 2007 through January 1, 2011, with a value ranging from 10,000 to 20,000 rubles, and useful life exceeding 12 months (furniture, equipment, office equipment, computer equipment, special clothing for cash offices and cash collection services, uniform for security divisions and transaction banking and cash services staff, official sportswear, communications equipment, electric tools, and household appliances) shall be recorded as expenses of the bank at their disposal.

Items that were not commissioned (not handed over) with a value under 20,000 rubles, and useful life exceeding 12 months (furniture, equipment, office equipment, computer equipment, special clothing for cash offices and cash collection services, uniform for security divisions and transaction banking and cash services staff, official sportswear, communications equipment, electric tools, and household appliances) shall be recorded as expenses at the time of their handover for operation by the responsible person.

² From January 1, 2007 through December 31, 2010, the items valued at 20,000 rubles shall be recorded as part of fixed assets.

3.10.2. Accounting for Immovable Property Temporarily Unused in Core Activities

The immovable property temporarily unused in core activities shall be the property (part thereof) (land or building, or part thereof, or both) owned by the Bank (obtained in the course of its activities) and intended for receiving lease payments (save for the payments under financial lease contracts), income from the increase in the cost of such property or both, but not for use as labor instruments for the provision of services, management of a credit institution, as well in cases stipulated by sanitary and hygienic, technical and operating, and other special technical standards and requirements, which is not planned for sale within one year from the date of being classified as immovable property temporarily unused in core activities.

The immovable property items temporarily unused in core activities include the following:

- land plots the purpose of which is not defined;
- land plots provided for temporary possession and use or for temporary use under one or more lease contracts, except for financial lease;
- a building (part thereof) provided for temporary possession and use or for temporary use under one or more lease contracts, except for financial lease;
- a building (part thereof) intended to be provided for temporary possession and use or for temporary use under one or more lease contracts, except for financial lease;
- items under construction (building) or reconstruction, intended to be provided for temporary possession and use or for temporary use under one or more lease contracts, except for financial lease.

When part of any immovable property is used to receive rent payments (except for payments under financial lease contracts) or to increase the value of property, and the other part is used as labor instruments for provision of services, management of a credit institution, as well in cases stipulated by sanitary and hygienic, technical and operating, and other special technical standards and requirements, the Bank's headquarters and branches shall record the said parts of the property separately (as property temporarily unused in core activities and fixed assets, respectively) only if such parts of the property may be sold independently of each other. The possibility of selling the parts of an immovable property item separately shall be determined based on a professional judgment on a case-by-case basis.

If parts of an immovable property item cannot be sold separately, the said item shall be deemed the immovable property temporarily unused in core activities only if no more than 5% of the total surface area of the item is intended for use as labor instruments for the provision of services, management of a credit institution, as well as in cases provided for by the sanitary and hygienic, technical and operating, and other special technical standards and requirements.

The items shall be recorded as immovable property temporarily unused in core activities only if all of the following conditions are met:

- the item can bring economic benefits to the Bank in future;
- the cost of the item can be reliably determined.

An item may be transferred to or removed from the immovable property temporarily unused in core activities only in the event of changes in the way that it is used.

If it is decided to sell an item of immovable property temporarily unused in core activities, it shall be transferred to non-current inventories.

If items of fixed assets as well as non-current inventories are transferred to immovable property temporarily unused in core activities, the Bank's headquarters and branches shall revalue the transferred items at their current (fair) value as of the transfer date of the item.

If an item of the immovable property temporarily unused in core activities is transferred to fixed assets and non-current inventories, its current (fair) value for the purpose of further accounting, as of the transfer date, shall be the initial cost of such item.

Items of immovable property temporarily unused in core activities recognized at their initial value net of the accumulated amortization and accumulated impairment losses shall be transferred to fixed assets and non-current inventories, as provided for by clause 2.6 of the Bank's Accounting Policy, without changing the balance sheet value of transferred items.

3.10.3. Accounting for Intangible Assets

The amount, calculated in monetary form and equal to the payment in monetary or other form or the amount of accounts payable paid or charged by the credit institution when acquiring, creating an intangible asset or ensuring conditions of its use for its intended purpose, shall be recognized as the initial value of intangible asset.

The change of the initial value of an intangible asset, at which it was accepted to accounting, shall be allowed only in the event of revaluation and/or impairment of the intangible asset.

Revaluation of intangible assets shall be performed by recalculating their residual value.

The intangible assets shall be tested for impairment in accordance with the laws of the Russian Federation and other regulatory legal acts.

The book value of the item after its revaluation and the amount of accrued depreciation shall be determined by applying a recalculation ratio calculated as a quotient of the current market value of an intangible asset and its residual value.

Since January 1, 2009, the intangible assets include business reputation gained in connection with the acquisition of an organization as a property complex (in full or in part).

For accounting purposes, the value of acquired business reputation shall be determined by calculating the difference between the purchase price paid to the seller when acquiring the property complex (in full or in part) and the aggregated amount of all assets (or their respective part) minus the sum of all liabilities (or their respective part) in the Balance Sheet as of the date of its purchase (acquisition).

The assets and liabilities of the property complex (in full or in part) shall be reflected in the Balance Sheet as of the date of purchase (acquisition) in accordance with its residual value or at fair market value or at another value as determined in accordance with the contract for the purchase (acquisition) of the property complex.

Positive business reputation should be regarded as a premium paid by the buyer in anticipation of future economic benefits with regard to acquired unidentifiable assets and treated as a separate inventory item in Balance Sheet account No. 60905 "Business reputation".

Acquired positive business reputation may be tested for impairment in accordance with the laws of the Russian Federation and other regulatory legal acts. If there is evidence of impairment, this will require determination of the amount of impairment losses reflected by an accounting entry debited in the Balance Sheet account for expenses in correspondence with the Balance Sheet account No. 60905 "Business reputation".

Negative business reputation shall be treated as a discount from the price provided to the buyer given the absence of factors for availability of stable buyers, quality reputation, marketing and sales skills, business relationships, management experience, qualifications of personnel, etc.

Negative business reputation should be fully recorded as the expenses of the Bank.

3.10.4. Procedure for Allocating the Value of Inventories to Expenses

Items with a value ranging from 10,000 to 20,000 rubles (accepted for accounting prior to January 01, 2011) and items with a value ranging from 20,000 to 40,000 rubles (accepted for accounting after January 01, 2011) shall be recorded as part of inventories and written off in accordance with the following procedure:

- Items with a useful life exceeding 12 months (furniture, equipment, office equipment, computer equipment, special clothing for cash offices and cash collection services, the uniform for security divisions and transaction banking and cash services staff (excluding award pins, badges, gloves, mittens, neckties, and belts), official sportswear, communications equipment, electrical

tools, and household appliances) shall be written off as expenses at their disposal based on the appropriately approved report of the responsible person;

- Remaining inventories, as well as disposable materials used (consumed) for banking activities, business needs in the process of management and for technical purposes: consumables for motor vehicles, equipment, computer equipment, maintenance of weapons, packing materials, letterheads, business cards, badges, stationery, information stickers, printing materials, binding materials, plant care materials, and advertising products (printed, recorded on magnetic media) shall be written off as expenses when they are handed over for operation by the responsible person. The materials used for advertising activities (advertising campaigns, participation in exhibitions and fairs) shall be written off as expenses based on the appropriately approved report of the responsible person.

Inventories used for repair of the inventories' fixed assets, and also used for modernization of fixed assets shall be allocated to expenses/increase in the value of fixed assets based on the duly approved report on conducted works prepared by the responsible person.

The property purchased for charity purposes shall be accounted as part of inventories in balance sheet account 61008 regardless of its value.

The value of brochures and handbooks (including training manuals, dictionaries, classifiers, instruction manuals and their electronic versions, and instructional films) shall be written off as expenses when they are handed over for operation by the responsible person. The cost of the books shall be written off as expenses at their disposal based on the duly approved report of the responsible person.

Documentaries on the activities of the Bank and its branches shall be recorded in balance sheet account 61010 "Publications" and written off as expenses when they are handed over for operation by the responsible person.

The uniforms acquired for operating cash desk workers shall be accounted as part of inventories regardless of their value.

3.10.5. Depreciation Accrual Methods

The headquarters and branches of the Bank shall perform the monthly accrual of depreciation on the items of fixed assets, intangible assets, including business reputation, as follows:

a. for those accepted to accounting prior to January 1, 2000 — in accordance with the standard rates adopted by the Decree of the Council of Ministers of the USSR No. 1072, dated October 22, 1990;

b. for those accepted to accounting after January 1, 2000 — by linear method during their entire useful life;

c. for those accepted to accounting after January 1, 2003, the depreciation rates shall be calculated on their useful lives established by Decree No. 1 of January 01, 2002 of the Government of the Russian Federation "On classification of fixed assets included in depreciation groups" subject to the provisions of the Accounting policy of Sberbank of Russia for tax purposes as it pertains to defining the useful life of the depreciated property.

For the period before January 1, 2007, the accrual of depreciation for items accepted to accounting prior to January 1, 2000, was performed up to a limit equal to the book value of the item minus the balance of the revaluation fund of such fixed asset item. Since January 01, 2007, the accrual of depreciation for the items accepted to accounting prior to January 1, 2000, is again performed up to the book value of the item in accordance with the rates effective as of the date of accepting the item to accounting. The limit of accrued depreciation for the items accepted to accounting after January 01, 2000, must be equal to the book value of the item, and the annual amount of depreciation deductions shall be determined in accordance with the initial value or current (replacement) value (in the event of revaluation) of the fixed asset item and the depreciation rate calculated in accordance with the useful life of the item.

Monthly accrual of depreciation on intangible assets accepted for accounting before January 1, 2003 shall be performed in accordance with the rates calculated on the basis of the initial value and the useful life of the respective intangible asset.

For intangible assets where it is impossible to determine the useful life, the depreciation rates shall be set for ten years.

The monthly accrual of depreciation with regard to intangible assets accepted to accounting after January 01, 2003 and prior to January 01, 2008, shall be performed by a linear method over their entire useful lives, and the annual amount of depreciation accruals shall be determined based on the initial value of intangible assets and depreciation rate calculated based on the useful life of the item.

For intangible assets accepted to accounting after January 01, 2008, the monthly amount of depreciation shall be calculated based on their actual (initial) value or current market value (in the event of revaluation) of intangible asset evenly within the entire useful life of such asset.

Depreciation allowances for the intangible assets for which no useful life can be defined shall be calculated for a period of ten years.

The useful life of intangible assets accepted to accounting after January 01, 2009, shall be determined based on the expected useful life of the asset with assumed economic benefits. No depreciation shall be accrued for intangible assets accepted to accounting after January 01, 2009, where it is impossible to determine the useful life.

The acquired business reputation shall be depreciated by a linear method within 20 years. The depreciation deductions with regard to the positive business reputation shall be determined based on the value established in accordance with the Regulations of the Bank of Russia No. 302-P.

From January 1, 2012, the monthly depreciation is accrued on the immovable property items temporarily unused in core activities, recorded at their initial cost net of the accumulated amortization and accumulated impairment losses, at the rates calculated based on the useful life as set forth by the Decree No. 1 of January 01, 2002 of the Government of the Russian Federation "On classification of fixed assets included in depreciation groups" subject to the provisions of the Accounting policy of Sberbank of Russia for tax purposes as it pertains to defining the useful life of the depreciated property.

3.10.6. Accounting for Non-exclusive Rights

The costs of acquiring non-exclusive rights of use, software, and licenses that were accepted for accounting after January 1, 2003 with a useful life (period of use) exceeding one year shall be recorded as part of future expenses in balance sheet account 61403 and later evenly allocated to the Bank's expenses during their useful life (period of use) specified in the contract (supporting documents) as applicable by the depreciation accrual procedure.

The costs of acquiring non-exclusive rights of use, software, and licenses that were accepted for accounting after January 1, 2003 with a useful life (period of use) less than one year (1 year inclusive) shall be allocated to the Bank's expenses on a non-recurrent basis.

Since January 1, 2009, all payments for the granted right of use of intellectual property or means of personalization:

- performed as periodic payments accrued and paid in the order and within the period specified in the contract shall be allocated to the Bank's expenses on a non-recurrent basis;
- performed as a fixed one-time payment shall be reflected in the accounting records as future expenses and written off as expenses during the term of contract.

The cost of non-exclusive rights of use acquired for the period when such copyright is valid or without any definite period of validity shall be written off as expenses evenly within the period of use. The period of useful life shall be established by the Bank taking into account the principle of even recognition of profits and expenses.

Transactions related to acquiring the right to use the intellectual property or means of personalization (except for the right to use the name of the goods' origin) shall be reflected in

accounting on the basis of license agreements, franchising agreements, and other similar agreements.

3.11. Accounting for Transactions with Foreign Currency, Precious Metals, and Coins that Contain Precious Metals

3.11.1. The accounting for transactions in foreign currency shall be performed in the same accounts of the Working Plan of Accounts, that are used to record the transactions in rubles, along with the opening of separate individual accounts in corresponding currencies.

The number of the individual account opened for recording transactions in foreign currency shall include a three-digit code of the corresponding foreign currency in accordance with the All-Russian Classifier of Currencies.

The accounts of analytical accounting shall be held only in foreign currency or in foreign currency and rubles.

Cash foreign currency and checks (including traveler's checks) the nominal value of which is specified in foreign currency shall be reflected in the analytical accounting twice: in foreign currency at its nominal value and in rubles according to the official exchange rate.

Synthetic accounting shall be performed only in rubles.

The recalculation of foreign currency-denominated analytical accounting data in rubles (revaluation of funds in foreign currency) shall be performed by multiplying the amount of foreign currency by the official exchange rate of the foreign currency to ruble as established by the Bank of Russia.

Revaluation of foreign currency funds shall be performed at the beginning of the day of operations before the transactions with the account (accounts) are reflected. The revaluation shall include the incoming balance at the beginning of the day excluding, since August 22, 2010, the amounts of received and issued advances and advance payments for the goods, works and services delivered, which are recognized in the balance sheet accounts for settlements on business transactions with non-resident organizations. Revaluation shall be performed and recorded separately for each foreign currency code. For each code of the currency, the result of revaluation shall be determined based on the changes in the ruble equivalent of incoming balances in corresponding foreign currency as of the beginning of the day.

The daily balance, as of January 1, shall be prepared based on the official exchange rates effective on December 31.

When keeping the accounts only in foreign currency, the total balance of all individual accounts in foreign currency in the corresponding balance sheet account of the second order shall be reflected in the ledgers in rubles according to the official exchange rate. This information shall be used to reconcile analytical and synthetic accounting records.

3.11.2. The accounting for transactions with foreign cash, checks (including traveler's checks) performed by individuals shall be based on the Directive of the Bank of Russia No. 136-I of September 16, 2010, "On the procedure for certain types of banking transactions performed by authorized banks (branches) with regard to foreign cash and transactions with checks (including traveler's checks) with the nominal value specified in foreign currency and involving individuals" and will be performed in accordance with the individual regulatory documents of the Bank of Russia.

Accounting of transactions with the traveler's checks of foreign issuers shall be defined by individual internal regulatory documents of the Bank.

3.11.3. Accounting of non-cash sale/purchase transactions with foreign currency, conversion transactions, and fixed-term transactions shall be performed in line with internal regulatory documents of the Bank.

3.11.4. Accounting for transactions with precious metals shall be based on the following regulatory documents of the Bank of Russia: Directive of the Bank of Russia No. 2255-U "On Accounting, Storage, Receipt and Provision of Precious Metal Bars at Credit Institutions within the

Russian Federation" of July 1, 2009, the Directive of the Bank of Russia No. 52 "On Accounting for Operations with Precious Metals at Credit Institutions" of December 6, 1996, the Regulations of the Bank of Russia No. 50 "On Operations With Precious Metals by Credit Institutions Within the Russian Federation and On Bank Operations with Precious Metals" of November 11, 1996, and the internal regulatory documents of the Bank. The accounting for transactions with coins containing precious metals shall be also defined by individual internal regulatory documents of the Bank.

3.11.5. The number of the individual account opened for recording the transactions with precious metals shall include a three-digit code of corresponding precious metals in accordance with the Classifier of Currencies under Inter-government Agreements used in the banking system of the Russian Federation (Classifier of Clearing Currencies).

The accounts of analytical accounting for transactions with precious metals may be kept only in the accounting units of pure (gold) or total (silver, platinum and palladium) weight of the metal (accounting unit of weight) or in the accounting unit of weight and rubles. Synthetic accounting shall be performed only in rubles.

When keeping the accounts only in accounting units of weight, the total balance of all individual accounts in precious metals in the corresponding balance sheet account of the second order must be reflected in the ledgers in rubles according to accounting prices of the Central Bank of the Russian Federation for precious metals (accounting price for precious metals). This information must be used to reconcile analytical and synthetic accounting records.

The assets and liabilities denominated in precious metals (excluding precious metals in the form of coins and commemorative medals) shall be reflected in the balance sheet of the credit institution, and the off-balance-sheet account balances shall be reflected based on the accounting prices for refined precious metals (gold, silver, platinum, palladium).

The revaluation of precious metals shall be performed by multiplying the quantity of precious metal recorded by the analytical accounting in the individual accounts with the corresponding code by the accounting price of that precious metal.

Revaluation of precious metals shall be performed at the beginning of the day of operations before the transactions with the account (accounts) are reflected. The revaluation shall include the incoming balance at the beginning of the day.

The daily balance, as of January 1, shall be prepared based on the accounting prices for the corresponding refined precious metal effective on December 31.

3.12. Characteristics of DFI Accounting

3.12.1. DFI Definition

Pursuant to the regulatory documents of supervisory and regulating authorities, DFI is a contract, except for REPO, providing for one or more of the following obligations:

1. The obligation of the parties or a party to the contract to pay monies, whether on a regular or non-recurring basis, including in the event of any claims submitted by the other party, depending on the change of prices for goods and securities, the exchange rate of the respective currency, the amount of interest rates, the level of inflation, the values calculated based on the prices for derivative financial instruments, the values of indicators constituting official statistical information, the values of physical, biological and/or chemical environment indicators, the occurrence of a circumstance evidencing a failure to perform or improper performance by one or more legal entities, governments or municipal entities of their obligations (except for a surety contract and an insurance contract), or any other circumstance provided for by federal law or regulations of a federal executive authority for the securities market, and in respect of which it is unknown whether it will or will not occur, as well as on the change of values calculated based on one or several of the indicators mentioned in this clause. Moreover, such contract may also provide for an obligation of a party or parties thereto to transfer securities, goods or currency to the other party, or an obligation to enter into a contract that is a derivative financial instrument;

2. The obligation of a party or parties on the terms determined upon signature of the contract and as required by the other party to buy or sell securities, currency or goods or to sign a contract that is a derivative financial instrument;

3. The obligation of one party to transfer ownership of securities, currency or goods to the other party not earlier than on the third day after the date of the contract, the obligation of the other party to accept and pay for the said property and the indication that such contract is a derivative financial instrument. In this case, supply contracts, where the underlying assets are DFIs, if it is agreed upon by the parties to the contract in the Agreement or upon concluding a transaction, and specified in the Agreement and/or the transaction documents. Otherwise, such contracts shall not be DFIs and shall not be accounted as DFIs but recognized as futures transactions for sale and purchase of the respective asset.

as well as contracts which are recognized as DFIs under the laws of a foreign country, provisions of an international treaty or customary business practices, and in respect of which the laws of a foreign country or provisions of an international treaty provide for the judicial protection of such contracts, or in accordance with the specification of the trade organizer or contract with the broker. The contracts made under ISDA shall be DFIs.

3.12.2. Additional Costs under DFI.

The additional costs directly related to signing a DFI contract or DFI disposal shall be as follows:

- Commission fee paid to financial intermediaries;
- Fee for consulting and other services directly related to signing a DFI contract;
- Fees and charges of stock exchanges, clearing and settlement organizations directly related to signing a DFI contract;
- Other costs directly related to signing a DFI contract or DFI disposal.

3.12.3. Procedure for Determining Fair Value, Procedure and Frequency of DFI Revaluation

From their initial recognition and up to their derecognition, DFIs shall be subject to revaluation at their fair value.

DFIs shall be revalued at their fair value on a daily basis. The methods for evaluating the fair value of DFIs shall be set out in the Methodology for Determining the Current Fair Value of Financial Instruments.

DFIs shall be revalued at their fair value on a daily basis regardless of whether the market is active or not.

For the purposes of DFI valuation, an active market means a market characterized by the following indicators:

- Transactions are performed through a trade organizer;
- Information on current prices is published and publicly available.

Otherwise, the market shall be considered as inactive.

The fair value of DFIs circulating on the stock exchange shall be calculated at their respective weighted average prices or stock closing prices, or other prices published by trade organizers.

The fair value of DFIs made in the over-the-counter market shall be the estimated value. The fair value of such DFIs shall be calculated subject to the following:

- For DFIs without embedded optionality – calculating the net present value of future payment flows under the concluded contract;
- For DFIs with embedded optionality – calculating by using special financial models that determine the fair [sic]

- In case of cash flow discounting, using the currency curve corresponding to the currency of the cash flow;
- In the event of currency revaluation of DFIs, using the market foreign currency exchange rates effective as of the date determined for calculating the fair value of DFIs;
- Current (fair) value of securities, which constitute the underlying asset of DFI, shall be determined in accordance with clause 3.9.1.2 of this Accounting Policy;
- Current (fair) value of foreign currencies, which are the underlying asset of DFI, shall be determined by taking into account the market foreign currency exchange rates as of the date of the DFI transaction;
- Current (fair) value of goods, which are the underlying asset of DFI, shall be determined as a market quotation of the goods as of the date of the DFI transaction.

The fair value of DFI shall be calculated based on the data disclosed by such information agencies as Bloomberg, Thomson Reuters, Russian or foreign trade organizers as of the DFI revaluation date.

Furthermore, to determine the estimated value of individual DFI types, Sberbank of Russia OJSC may engage an independent appraiser. The data received from the appraiser shall be used as input parameters for daily determination of the DFI fair value.

3.13. Accounting for Reserves and Provisions

3.13.1. The Bank shall deposit the required reserves with the Bank of Russia in accordance with the Regulations of the Bank of Russia No. 342-P of August 07, 2009, "On reserve requirements for credit institutions".

3.13.2. The branches and headquarters of the Bank shall create provisions for the following:

- For the loans, loan debts and similar debts, in accordance with the Regulations of the Bank of Russia No. 254-P of March 26, 2004 "On the procedure for creating provisions for possible losses on loans, loan debt and its equivalents by credit institutions";
- For possible losses, in accordance with the Regulations of the Bank of Russia No. 283-P of March 20, 2006, "On the procedure for creating provisions for possible losses by credit institutions";
- For transactions with offshore residents, in accordance with the Directive of the Bank of Russia No. 1584-U of June 22, 2005 "On creation and amount of provision for possible losses with regard to transactions of credit institutions with offshore residents".

In addition, when creating provisions, the branches and headquarters of the Bank shall be guided by individual internal regulatory documents of the Bank.

3.14. Errors

3.14.1 In accordance with the Regulations of the Bank of Russia No. 302-P, the erroneous (incorrect) reflection of (failure to reflect) business activity facts in the accounting records may be caused, in particular, by the following:

- Incorrect application of the accounting policy of the credit institution;
- Inaccurate calculations;
- Incorrect classification or assessment of business activity facts;
- Incorrect use of information available on the date when the accounting records were made;
- Unethical practices of officials in the credit institution.

Inaccuracies and omissions in reflecting the business activity facts in accounting records, identified as a result of new information that was not available to the Bank at the time of reflecting (failing to reflect) such business activity facts in the accounting records, shall not constitute an error.

3.14.2. The income and expenses arising as a result of immaterial errors of previous years, identified in the current year following the approval of the report for the corresponding year, shall

be reflected based on the corrective memo order at the day of identifying the error in account No. 706 "Financial Results of the Current Year" by the symbols of income and expenses of previous years identified in the reporting year in correspondence with the accounts that require correction.

The income and expenses arising as a result of material errors of previous years identified in the current year following the approval of the report for the corresponding year shall be reflected in the balance sheet of headquarters based on the corrective memo orders at the day of identifying the error in account No. 10801 "Retained earnings" (No. 10901 "Uncovered loss") in correspondence with the accounts that require correction.

3.14.3. To recognize an error affecting (alone or in combination with other errors) the financial results for the same reporting period, the Accounting Policy shall establish the following materiality criterion:

- For the period after the reporting date and until the approval of the Annual Report - 1 % of the Capital of the Bank as of January 01 excluding EARD (events after the reporting date);
- For the period after the approval of the annual report: 1 % of the Bank's capital as of January 1, EARD inclusive;

The error may be recognized as material upon the opinion of the Bank's Management.

The error shall be material when it is associated with incorrect classification of assets or liabilities, and when its correction entails the correction of material error (separately or in combination) in the accounts of income and expenses.

If the errors, which simultaneously reduce and increase the financial results, are identified in the income/expense items of the same type (e.g. expenses on establishing provisions for possible losses, income from recovery of provisions for possible losses, depreciation, etc.), the aggregate of identified errors will be determined by considering the final impact of identified errors in each item on the financial results (difference between the amount of decrease and amount of increase in the financial results).

The error that exceeds the materiality criterion (separately or in combination) and which results from reflecting the income/expenses in the wrong item of Profit and Loss Statement and does not affect the financial results but causes a change in the tax and/or statistical reporting, shall be considered as material.

4. Financial Statements

The procedure for preparing financial statements by the headquarters and branches of the Bank shall be defined by individual internal regulatory documents

5. Preparing and Forming the Annual Report

- 5.1. The Annual Report for the period from January 1 through December 31 of the reporting year shall be prepared no later than by March 25 of the following year.
- 5.2. The Bank shall prepare its Annual Report considering the events after the reporting date (the "EARD") which occur between the reporting date and the date of signing the Annual Report and affect or might affect the Bank's financial standing.
- 5.3. EARD shall include the following:
 - Adjusting EARD are events confirming, as of the reporting date, the existence of the conditions in which the Bank has operated.
 - Non-adjusting EARD are events evidencing the existence after the reporting date of the conditions in which the Bank has operated.
 - Transactions named in the clause 3.3.1 of the Accounting Policy.

- 5.4. The accounting records shall reflect adjusting EARD. Adjusting EARD shall be reflected in the balance sheets of headquarters and branches of the Bank in accordance with the procedure established by individual regulatory documents and letters of the Bank.
- 5.5. Adjusting events after the reporting date shall include the following:
- 5.5.1. Declaration of borrowers and debtors as bankrupt in accordance with established procedures, if as of the reporting date they already were subject to a liquidation procedure but that fact was unknown to the Bank.
 - 5.5.2. Evaluation of assets performed after the reporting date and evidencing a steady and significant decline in their value, determined as of the reporting date, or receipt of information on significantly deteriorated financial condition of borrowers and debtors of the bank as of the reporting date that may result in significant decline or loss of their solvency.
 - 5.5.3. Change (decrease or increase) in the amount of provisions for possible losses (including for contingent liabilities of lending nature), created as of the reporting date by considering information about the conditions that existed as of the reporting date received when preparing the Annual Report.
 - 5.5.4. Determination of payouts to the lenders after the reporting date and in connection with the judgment in a court case with regard to the obligations of the bank prior to the reporting date.
 - 5.5.5. Receipt of materials from an insurance institution specifying the amount of insurance compensation that, as of the reporting date, was subject to negotiations.
 - 5.5.6. Receipt after the reporting date by the accounting division of documents that define the amount of payouts to the employees of the bank in accordance with profit sharing programs (systems) or their bonuses, if on the reporting date the bank had an obligation to make such payouts.
 - 5.5.7. Determination of the payouts after the reporting date in connection with the decision to close a structural division where such decision was adopted prior to the reporting date.
 - 5.5.8. Charges (adjustments, changes) with regard to taxes and duties for the reporting year, where the banks are tax payers and duty payers in accordance with the laws of the Russian Federation, for profit tax, including on income from government securities, property tax, vehicle tax, land tax, UST, insurance premiums for mandatory social insurance against industrial accidents and occupational diseases, and other charges established by the laws on taxes and duties.
 - 5.5.9. Identification of an error in the accounting records, violation of the laws of the Russian Federation in the activities of the credit institution or fraud after the reporting date, which lead to distortion of financial statements for the reporting period affecting the determination of financial results;
 - 5.5.10. Declaration of dividends (payouts) on the shares (interest, stocks).
 - 5.5.11. Revaluation of fixed assets and intangible assets as of January 1 of the new year.
 - 5.5.12. Receipt after the reporting date of source documents that confirm the transaction prior to the reporting date and/or define (specify) the value of works, services, and assets with regard to such transactions, and also specify the amounts of income and expenditure reflected in the accounting records in accordance with the Annex 3 to the Regulations of the Bank of Russia No. 302-P.

- 5.6 Adjusting events after the reporting date shall be reflected in the balance sheet of the headquarters and balance sheets of the branches for the period of up to January 27, inclusive, by considering the following:

Error of the reporting year identified by the subsidiary or division of headquarters after the end of the reporting year and up to the end date of EARD shall be corrected as EARD by the entries for corresponding accounts.

Error of the year(s) preceding the reporting year and identified after the reporting year prior to the end date of EARD shall be corrected as EARD with the entries in the corresponding accounts in the items of income and expenses of previous years identified in the reporting year.

- 5.7. On January 31 of the new year, the regional banks of the Bank shall transfer the remaining balance of account 707 "Financial result of the previous year" to the balance of the headquarters of the Bank.
- 5.8. From January 28 of the new year through March 05 of the new year, the charges (adjustments, changes) with regard to profit tax, including on income from government securities, shall be reflected as adjusting events in the balance sheet of the headquarters.

In addition, from January 28 of the new year through March 05 of the new year, the balance sheet of the headquarters may reflect the correction of material error (alone or in combination) in the reporting year, identified by the branches or headquarters.

From January 26 of the new year through March 05 of the new year, the balance sheet of the headquarters shall also reflect the correction of material error in the reporting year following the reflection of income/expenses in a wrong item of Profit and Loss Statement, which is identified by the branches or headquarters and does not affect the financial results but causes a change in the tax and/or statistical reporting.

When the headquarters and/or branches identify a material error of the reporting year in the period from March 06 of the new year and up to the date of the Annual Report (no later than March 25 of the new year), the Annual Report shall be reviewed. To this end, the balance sheet of the headquarters shall receive the entries to restore the balances in the analytical accounting for account 707 "Financial results of the previous year" as established prior to the transfer to account 708 "Profit (loss) of the previous year". Later, the correction of material error of the reporting year shall be performed in accordance with the procedure provided in the second paragraph of clause 5.6.

- 5.9. The error of the year(s) preceding the reporting year and affecting the financial results, which was identified after the end of the reporting year but prior to the date of the Annual Report, and is a material error, shall be corrected by reflecting it in the balance sheet of the headquarters with the entries of the current year in relevant accounts during correspondence with account No. 10801 "Retained earnings" (No. 10901 "Uncovered loss"). At the same time, in accordance with clauses 9-13 PBU 22/2010, there will be a retrospective recalculation of comparative figures from the Annual Reports starting from the year when the corresponding error occurred.

An error that is not material but affects the financial results, and is identified following the reflection of transactions as EARD, but prior to the date of its approval in accordance with the procedure established by the laws of the Russian Federation, shall be reflected in the day of its identification by accounting entries of the current year in account No. 706 "Financial results of the current year" by the items of income and expenditure of previous years identified in the reporting year.

The material error of the reporting year, identified following the date of the Annual Report but prior to the date of its approval in accordance with the procedure established by the laws of the Russian Federation entails the review of the Annual Report. To this end, the balance sheet of the headquarters shall receive the entries to restore the balances in the analytical accounting for account 707 "Financial results of

the previous year" as established prior to the transfer to account 708 "Profit (loss) of the previous year". Any further correction of material error of the reporting year shall be performed in accordance with the procedure provided in the second paragraph of clause 5.6. The material error of the previous year(s) shall be corrected in accordance with the procedure provided in the second paragraph of clause 5.9.

The accounting entries caused by the review of the Annual Report shall be reflected as EARD in the balance sheet of the headquarters.

The material errors shall include the errors (alone or in combination with other errors) specified in clause 3.13.3 of the Accounting Policy.

- 5.10. The following facts, in particular, may be referred to non-adjusting EARD:
- 5.10.1. A decision on reorganizing the credit institution and start of its implementation.
 - 5.10.2. The acquisition or disposal of a subsidiary or dependent entity.
 - 5.10.3. A decision on issuing shares and other securities.
 - 5.10.4. A significant decline in the market value of investments.
 - 5.10.5. A large transaction related to acquisition and disposal of fixed assets and financial assets.
 - 5.10.6. A significant decline in the value of fixed assets, if such decline happened after the reporting date and was not reflected in the revaluation of fixed assets as of the reporting date.
 - 5.10.7. Termination of a material part in the main activities of the bank if this could not be foreseen as of the reporting date.
 - 5.10.8. A decision on dividend payout
 - 5.10.9. Material transactions with own ordinary shares.
 - 5.10.10. Changes in the laws of the Russian Federation on taxes and duties entering into effect after the reporting date.
 - 5.10.11. Fire, accident, natural disaster or other emergency resulting in the destruction of a significant part of the assets of the credit institution.
 - 5.10.12. Unpredictable changes in foreign exchange rates and market quotations of financial assets after the reporting date.
 - 5.10.13. Acts of public authorities.
 - 5.10.14. Other similar events evidencing, after the reporting date, the existence of conditions in which the Bank conducts its operations.
 - 5.10.15. Acceptance of material contractual obligations or contingent liabilities, for example, when providing major guarantees.
 - 5.10.16. Beginning of court proceedings arising solely from events after the reporting date.
- 5.11. The Explanatory Note shall describe only such non-adjusting EARDs where the failure to disclose information may affect the ability of the Annual Report's user to make correct assessments and adopt adequate decisions. The decision on reflecting non-adjusting EARDs in the Explanatory Note shall be adopted by the Management Board of the Bank.
- 5.12. Headquarters and branches of the Bank shall prepare the primary accounting documents on reflecting EARDs (including memo orders) in two copies marked "EARD". The first counterpart shall be posted in the documents of the day. The second counterpart shall be stored separately with the turnover ledgers reflecting EARDs in a separate binder "Annual Report for 20__". The same binder shall include

the following ledgers (documents) of synthetic accounting: Balance Sheet as of January 1 in accordance with the form of Annex 9 to the Regulations of the Bank of Russia No. 302-P; turnover statement on the accounts of the credit institution for the reporting year in accordance with the form of Annex 8 to the Regulations of the Bank of Russia No. 302-P; Profit and Loss Statement in accordance with the form of Annex 4 to the Regulations of the Bank of Russia No. 302-P; consolidated turnover statement in accordance with the form of Annex 14 to Regulations of the Bank of Russia No. 302-P.

- 5.13. The Explanatory Note shall disclose information about the amount of debt on the loans to shareholders (members) of the credit institution and interest on such loans, if the shareholder (member) holds more than five percent of the voting shares of the Bank.
- 5.14. The details on operations (transactions) with the main managerial personnel in the Explanatory Note shall include information on transactions with persons, who are members of the management and controlling bodies of the Bank.

These persons are as follows:

- Members of the Supervisory Board;
- CEO, Chairman of the Management Board of the Bank;
- Members of the Management Board;
- Members of the Audit Commission.

List of Terms and Definitions

Bank means Sberbank of Russia Open Joint-Stock Company.

REPO Contract (Transaction) means a transaction for purchase and sale of securities with an obligation of further sale and purchase thereof made under the applicable laws.

Property means fixed assets, immovable property temporarily unused in core activities, intangible assets and inventories.

FIFO Method means the reflection of disposal (sale) of securities in accordance with the entry sequence of securities of the same issue to the balance sheet account of the second order. The cost of disposed (sold) securities includes the cost of securities that were first entered into the account.

Official rate means the official exchange rate of the foreign currency to Russian ruble set by the Bank of Russia.

Error means an erroneous (incorrect) reflection of (failure to reflect) business facts in the accounting.

List of Abbreviations

UST – unified social tax

VAT – value added tax

DFI – derivative financial instrument

ICS — intra-subsidary clearing system

EARD — events after the reporting date

HQ — headquarters of Sberbank of Russia OJSC

List of Used Documents

1. Federal Law No. 129-FZ "On Accounting" of November 21, 1996.
2. Federal Law No. 86-FZ "On the Central Bank of the Russian Federation (Bank of Russia)" of July 10, 2002.
3. Federal Law No. 395-1 "On Banks and Banking Activities" of December 2, 1990, as amended.
4. Regulations of the Bank of Russia No. 302-P "On the rules of accounting by credit institutions located within the Russian Federation" of March 26, 2007.
5. Album of primary accounting document forms of May 30, 2000, as amended.
6. Regulations on intra-subsidary settlements in Sberbank of Russia No. 355-4-r of April 26, 2010.
7. Regulations of the Bank of Russia No. 2-R of October 03, 2010, "On non-cash settlements in the Russian Federation".
8. "Regulations on document workflow and accounting data processing in Sberbank of Russia", No. 304-2-r of November 04, 2000.
9. "Methodology for inventory taking of tangible valuables in Sberbank of Russia OJSC and its branches", No. 1962 of October 4, 2010.
10. "Procedure for the purchase, accounting, operation, maintenance and disposal of tangible valuables and intangible assets in the headquarters of Sberbank of Russia", No. 1122-3-r of May 16, 2006.
11. Directive of the Bank of Russia No. 2089-U of October 8, 2008, "On procedures for the annual reporting of credit institutions".
12. "Regulations on recovery and write-off of accounts receivable by Sberbank of Russia OJSC and its branches", No. 283-3 of June 2, 2011.
13. "Procedure for taking inventory and writing off unclaimed accounts payable by Sberbank of Russia and its branches", No. 1369-r of July 28, 2005.
14. Regulations of the Bank of Russia "On cash operations procedures in credit institutions within the Russian Federation", No. 318-P of April 24, 2008.
15. Regulations "On cash operations in Sberbank of Russia OJSC and its branches", No. 628-4-r of April 20, 2009.
16. Regulations of the Bank of Russia No. 215-P of February 10, 2003, "On methods of determining the equity (capital) of credit institutions".
17. Regulations of the Bank of Russia No. 222-P of April 01, 2003, "On non-cash settlements by natural persons in the Russian Federation".
18. "Rules for linked settlements with the regional banks of Sberbank of Russia with regard to intra-system transactions", No. 745-2-r of December 30, 2010.
19. Regulations of the Bank of Russia No. 54-P of August 31, 1998, "On provision (investment) and return (repayment) of funds by credit institutions".
20. Regulations of the Bank of Russia No. 191-P of July 30, 2002, "On consolidated reporting".
21. Federal Law No. 39-FZ of April 22, 1996, "On the Securities Market".
22. Letter of the Bank of Russia No. 141-T of September 07, 2007, "On recording securities purchase and sale transactions with the subsequent obligation of their sale and repurchase".
23. Regulations of the Bank of Russia No. 220-P of March 25, 2003, "On the procedure for making and performing REPO transactions with government securities of the Russian Federation".

24. Regulations of the Bank of Russia, "On accounting for transactions related to..." [sic]
26. "Procedure for maintaining journals of received and issued invoices, single purchase ledger and sale ledger of Sberbank of Russia", No. 937-r of July 07, 2002.
27. Decree of the Council of Ministers of the USSR No. 1072, dated October 22, 1990.
28. Decree of the Government of the Russian Federation No. 1 of January 01, 2002, "On classification of fixed assets included in depreciation groups".
29. Accounting policy of Sberbank of Russia for tax purposes, No. 873-7-r of December 28, 2010.
30. Directive of the Bank of Russia No. 136-I of September 16, 2010, "On the procedure for certain types of banking transactions performed by authorized banks (branches) with regard to foreign cash and transactions with checks (including traveler's checks) with the nominal value specified in foreign currency and involving natural persons".
31. Directive of the Bank of Russia No. 2255-U of July 1, 2009, "On accounting, storage, receipt and provision of precious metal bars at credit institutions within the Russian Federation".
32. Directive of the Bank of Russia No. 52 of December 6, 1996, "On accounting for operations with precious metals at credit institutions".
33. Regulations of the Bank of Russia No. 50 of November 11, 1996, "On operations with precious metals by credit institutions within the Russian Federation and on bank operations with precious metals".
34. Regulations of the Bank of Russia No. 342-P of August 07, 2009, "On reserve requirements for credit institutions".
35. Regulation of the Bank of Russia No. 283-P of March 20, 2006, "On the procedure for creating provisions for possible losses on loans, loan debt and its equivalents by credit institutions".
36. Directive of the Bank of Russia No. 1584-U of June 22, 2005, "On the creation and amount of provision for possible losses with regard to transactions of credit institutions with offshore residents".
37. Directive of the Bank of Russia No. 2332-U of 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".
38. Order of the Ministry of Finance of the Russian Federation No.63n of November 28, 2010, "On Approval of Statutory Accounting Standard *Correcting Errors in Accounting and Reporting*" (PBU 22/2010)".
39. Regulations of the Bank of Russia No. 372-P of July 4, 2011, "On the accounting procedure for derivative financial instruments".
40. Order of the Federal Financial Markets Service No. 10-13/pz-n of March 4, 2010, "On approval of regulations on types of derivative financial instruments".
41. Methodology for determining the current fair value of financial instruments.
42. Methodology for determining the current (fair) value of immovable property temporarily unused in core activities.

List of Annexes to the Accounting Policy of the Bank

Annex 1. Methodology for inventory taking of tangible valuables in Sberbank of Russia OJSC and its branches, No. 1962.

Annex 2. Regulations on document workflow and accounting data processing in Sberbank of Russia, No. 304-2-r (second revision) approved by the Resolution of the Management Board No. 236, paragraph 36, dated November 4, 2000.

Annex 3. Album of primary accounting documents used in the branches of Sberbank of Russia to formalize transactions and maintain accounting records, as approved by the CEO and Chairman of the Management Board of Sberbank of Russia on May 30, 2000.

Annex 4. Working Chart of Accounts for the branches of Sberbank of Russia (as approved by CEO of Sberbank of Russia on November 22, 2007).

Annex 5. Profit and Loss Statement