



**SBERBANK**

*By your side*

# Sberbank Investor Day

## Presentation

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Building on our  
success

## Most Noted Achievements in 2012

Net Profit  
RUB 347.9 bn

ROE  
24.2%

EPS  
RUB 16.03

SPO of 7.6% of the Bank's shares raises USD 5.2 bn

Access to fast-growing Turkish banking market through acquisition of DenizBank

Establishment of Sberbank Europe AG on the base of ex-VBI platform – entrance ticket to 7 CEE banking markets

Complementing product range by IBGM services via integration with Troika Dialog and the formation of Sberbank CIB

Foundation of joint Russian POS finance bank with Cetelem

New level of services through branch reformatting and online solutions

Cross-country rollout of Credit Factory completed for Retail and SME

Centralization of IT platform progresses on track and will be completed in 2015

Started developing the Bank's New Strategy for beyond 2014

# Sberbank's Strategy till 2014:\*

## Status of Implementation

### Market Position

- ✓ Market share of the entire Russian banking system targeted at 25-30%
- ~ Substantial strengthening of the Bank's competitive position in the majority of products
- ~ Maintain current market position in the retail deposits market

### Financial Targets

- ✓ Increase after-tax profit 2.5-3.0 times from 2007 levels
- ✗ Decrease cost-income ratio to 40% (under Russian Accounting Standards)
- ✓ Sustain ROE above 20%
- ✗ Achieve headcount of 200 000 - 220 000 employees

Comprehensive transformation into one of the leading global financial institutions

### Qualitative Indicators

- ~ Leading skills and capabilities on the market (client relationships, risks, SPS (Sberbank Production System), efficiency gains)
- ✓ Strong corporate culture
- ✓ Highly qualified employees
- ~ Effective and reliable systems and processes
- ✓ Strong brand and loyal customers

### International Markets

- ~ Receive 5-7% of net income from international operations, mainly in the CIS
- ✓ Target market share of >5% in Ukraine, Kazakhstan and Belarus
- ✓ Build a foothold in Chinese and Indian markets
- ✓ Entrance to CEE market

\* Approved by the Supervisory Board on 21 October 2008

# Sberbank's Strategy till 2014:

## Status of Implementation

### Targets

### Achievements

1. Service-oriented company and customer focus

- New customer segmentation and service models introduced
- Customer service quality index 93% (retail)
- New product lines developed & introduced
- Loan underwriting optimized

2. Industrialization  
New IT platform

- IT platform centralization on the way
- Risk function enhanced & centralized
- Centralization and streamlining of support functions in progress

3. Sberbank Production System (SPS) as the Bank's new philosophy of management

- SPS implemented across retail network, productivity growth 30%
- New approach to work in branch offices: flexible schedules, 'universal' tellers, active sales, etc.
- Ongoing improvement projects launched in various functional areas: IT, HR, Legal, Property Department, etc.

4. Building up international presence

- Present in 20 countries (Group), foothold in India and China, promising start in CEE & Turkey
- International assets >12% of the Group's total assets (2012)

5. People

- Motivation based on comprehensive performance evaluation
- Career & Personal development planning introduced
- Corporate University launched

## Strategic assumptions

Russia remains main home market

Russian market will grow further but at a slower pace

Competition is intensifying

Profound changes in customer behaviour and competitive landscape driven by technology

### Our advantages:

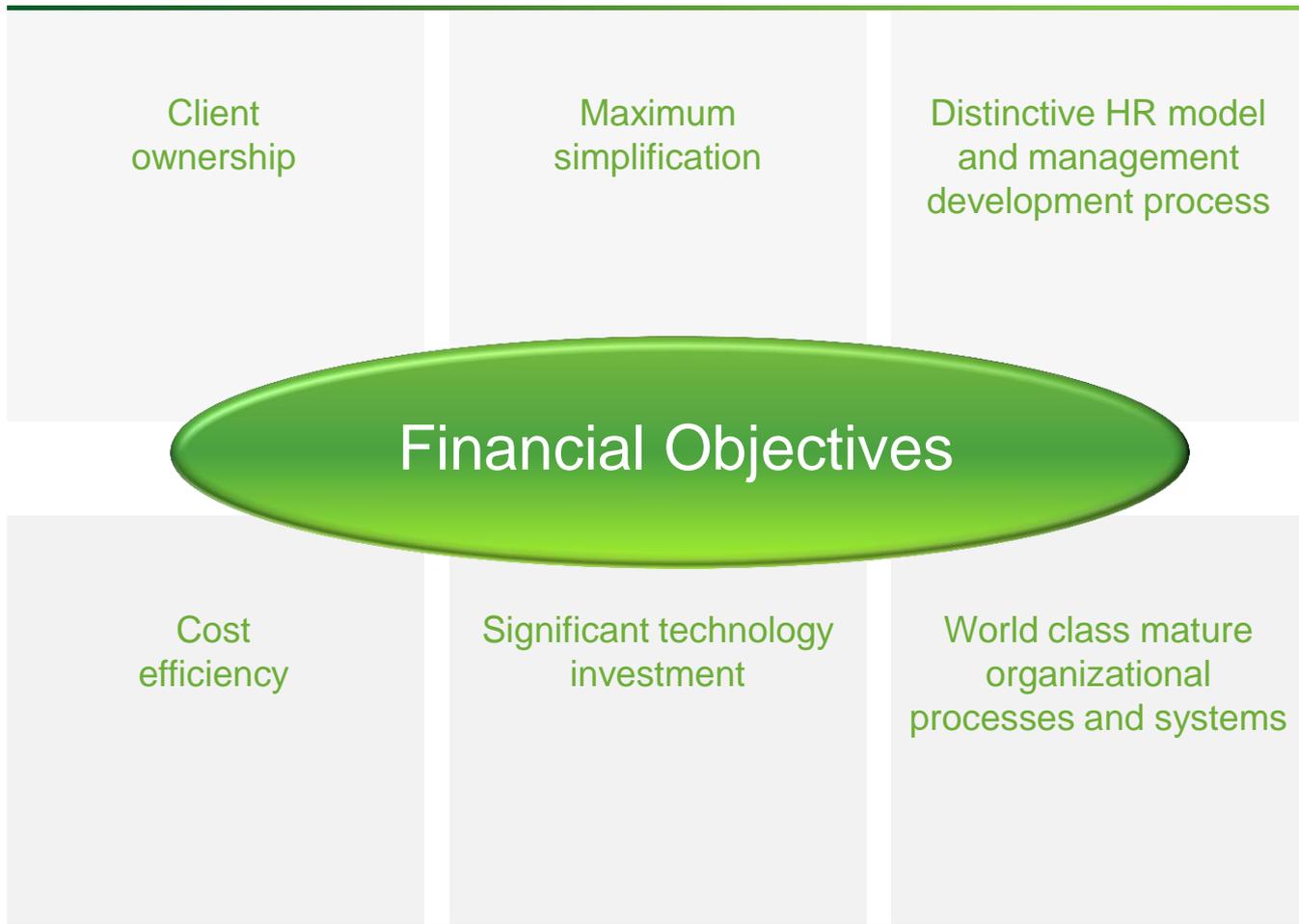
- strong brand
- customer franchise
- network breadth and capillarity
- solid financing

### We strive for:

- depth of client relationships
- cost efficiency
- improvement in key management systems and processes
- building IT as a source of future competitive advantage
- effective integration of new assets

# Key Elements of the Business Model beyond 2014

New Strategy  
2014–2018



# "Client Ownership" as a New Source of Growth

## Corporate

**We strive to become:**

- The service provider of choice for our customers
- Focus on depth and continuity of client relationships
- Building a reliable and convenient customer experience

Sberbank Market Share*, %		Micro	Small	Medium	Large	Largest	TOTAL
Number of clients		51	28	76	89	93	49
Wallet share		64	60	36	26	N/A	Share not relevant
Volumes	Credit portfolio	24	13	26	24	42	32
	Deposits and current accounts	26	13	14	7	12	14

### Micro & Small Corp

High growth opportunities through client acquisition

- Acquire new clients through current account opening or granting a loan
- Develop high-quality (reliable, fast, functional) transaction platform

### Medium & Large Corp

a lot of relationships but low wallet share

- Install reliable and functional transaction platform
- Offer sophisticated products for larger customers, more speedy service for medium ones
- Focus on cross-selling

### CIB Customers

client base potential not fully exploited

- Implement integrated coverage model
- Employ proactive cross-selling approach supported by robust account planning
- Introduce holistic pricing, develop client analysis tools and step up marketing initiatives

\*Source: Sberbank's internal assessment  
Sberbank Investor Day

# "Client ownership" as a new source of growth

## Retail

### We strive to become:

- The service provider of choice for our customers
- Focus on depth and continuity of client relationships
- Building a reliable and convenient customer experience

#### Challenges

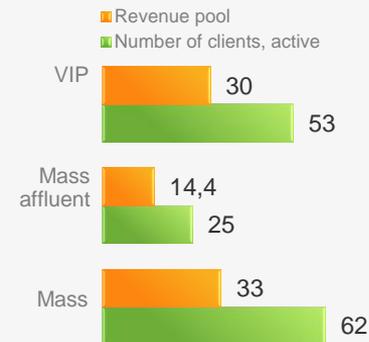
Over 110 million clients  
Many with limited activity  
"Wallet share" to be improved

Cost efficiency for mass segment

#### Possible solutions

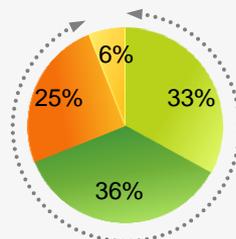
- Develop deep understanding of customer financial needs and abilities through intensive data mining
- Improve client relationship via "anchor" product offering, strengthened by customized solutions
- Reduce servicing costs by cutting manual transactions, gradual move toward "cash-free environment", minimizing operational errors
- Well-trained sales force from ex-operational staff

#### Sberbank's market share, %

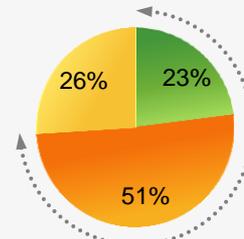


#### Gaining momentum in cross-sell\*

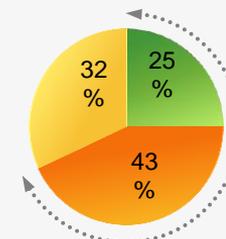
■ Inactive ■ 1 Product per client ■ 2 products per client ■ 3 products per client



Mass



Mass affluent – Premier



VIP - Sberbank First

## Cost efficiency as a source of profitability

Systematic efforts to decrease Cost-to-income ratio to 40-45% by 2018. We have started:

### Development of long-term strategy

for cost optimization applying comprehensive set of levers e.g.

- optimization of regional network structure,
- improved real-estate management,
- efficient branch reformatting,
- “digitalization”,
- centralization and streamlining of support functions, etc.

### Building effective cost management system

- improved processes
- increased responsibility
- transparency & control

### Optimization of sourcing strategies

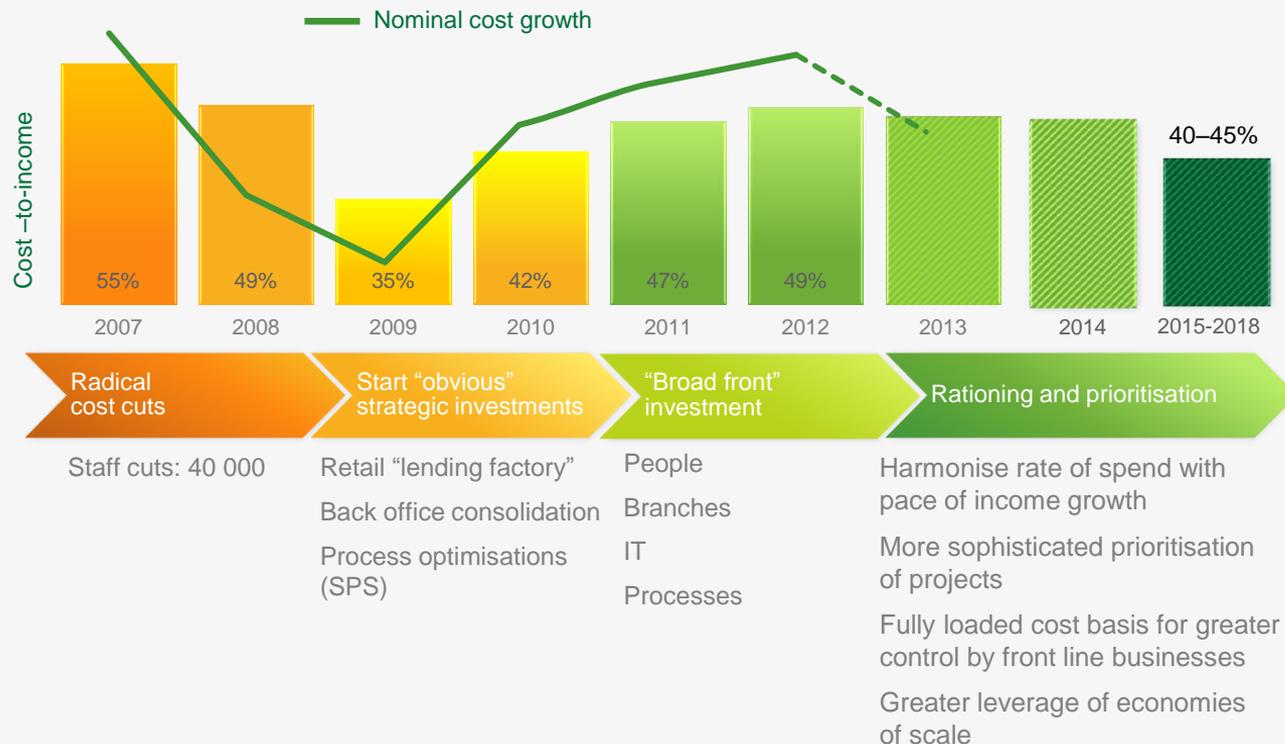
for service & equipment categories to significantly improve purchasing spend

### Program targets

embedded in motivation system

## More sophisticated approach to cost efficiency

### Next phase in strategic cost management: positive “jaws”, new cost management framework



# Creating shareholder value through continuing innovation

## What is next?

- Sberbank has strong potential to develop a culture that exceeds client expectations repeatedly
- This is a long term goal for our management team
- We will know that the goal is achieved once Sberbank becomes capable of continuing to successfully reinvent itself regardless of who is at the helm.



# Financial Outlook 2013

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Costs:   General Highlights

          Personnel Costs

          IT Costs

          Modernization of Branch Network

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Capital Adequacy

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Summary Guidance for 2013

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## 2012 Financial Results Summary

Net Profit  
RUB 347.9 bn

ROE  
24.2%

ROA  
2.7%

NIM  
6.1%

Cost / Income  
49.0%

Cost of Risk  
20 bps

Net Loans/Deposits  
103.1%

Tier 1 Ratio (Basel I)  
10.4%

EPS  
RUB 16.03

# Macroeconomic Environment in Russia in 2013

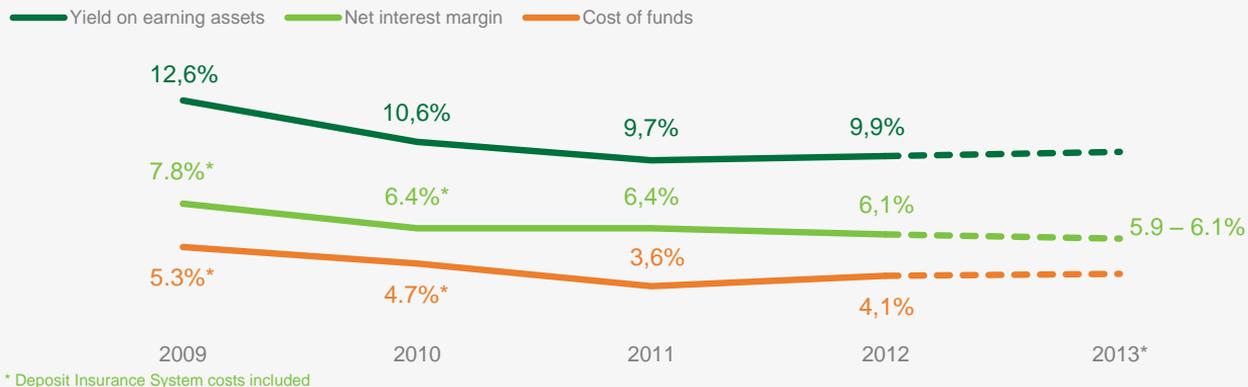
## Sberbank's Budget Assumptions

Russian Banking Sector			
	2011	2012	2013E
Banking sector assets growth	23.1%	18.9%	12-13%
Corporate lending growth	26.6%	13.7%	12-13%
Retail lending growth	35.9%	39.4%	18-20%
Retail deposits growth	20.9%	20.0%	13-14%

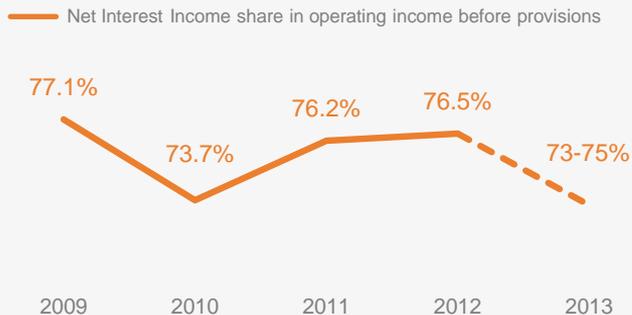
Macro			
	2011	2012	2013E
GDP Growth	4.3%	3.4%	3.0%
Inflation	6.1%	6.6%	6.0%
Urals (\$/barrel)	109	111	105
RUB/USD Exchange rate	29.4	31.1	31.6
Budget Balance (% of GDP)	0.8%	-0.0%	-0.8%

# Net Interest Margin

## Net Interest Margin Dynamics (%)

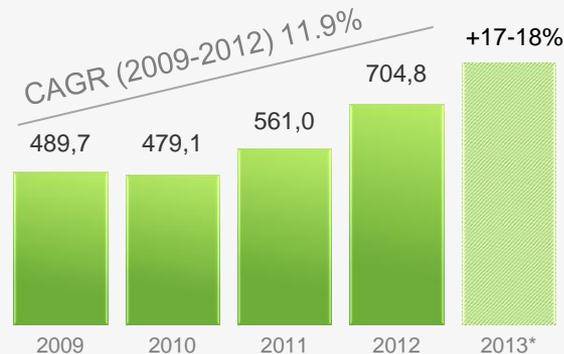


## Net Interest Income Share in Operating Income (%)



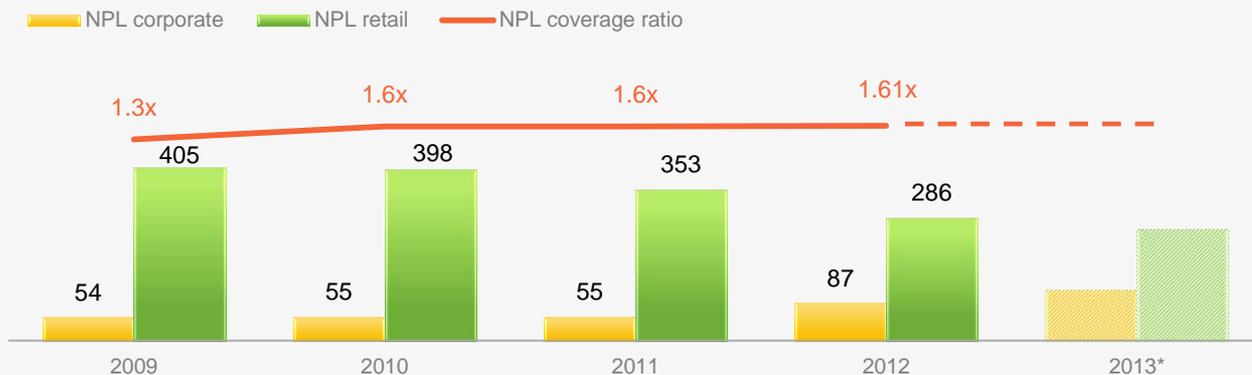
Sources: Sberbank operating statistics for the respective periods

## Net Interest Income (RUB bn)

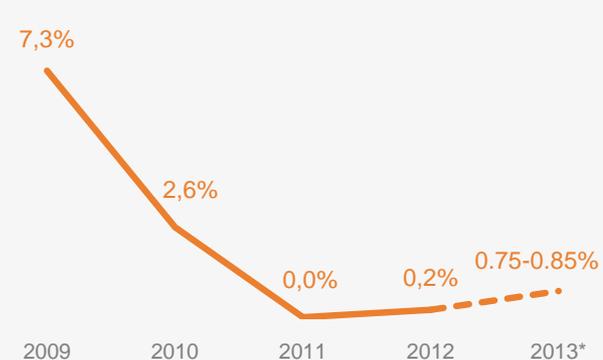


# Credit Quality and Provisioning

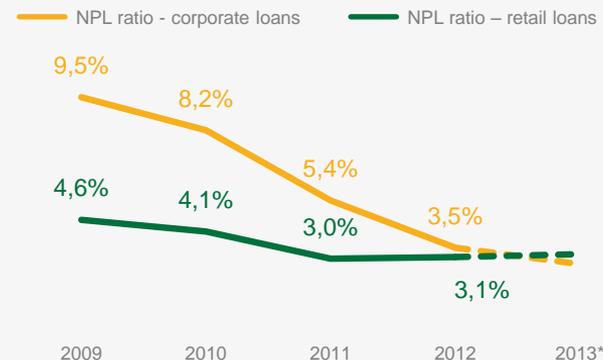
## NPL Dynamics (RUB bn)



## Cost of Risk Dynamics (%)

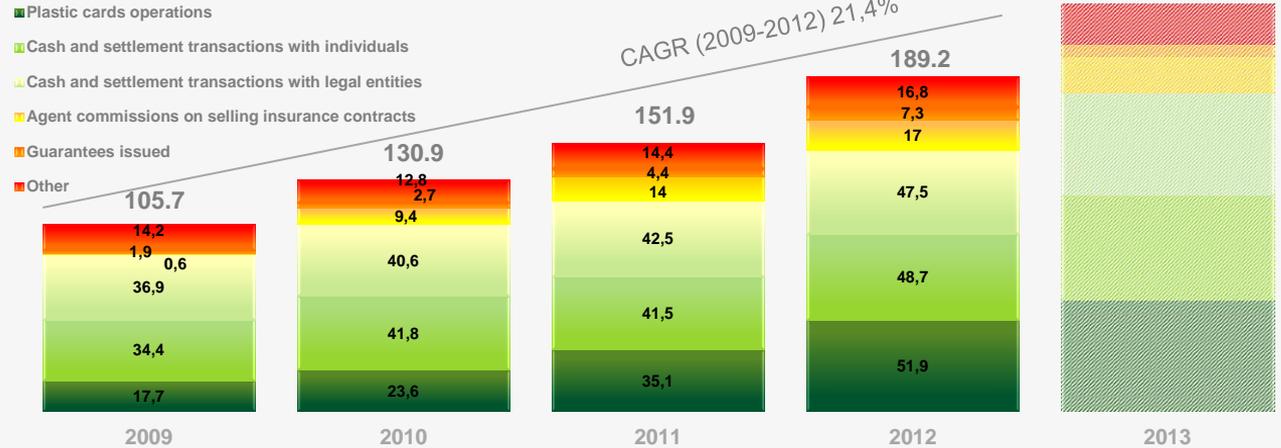


## NPL Ratio Dynamics (%)



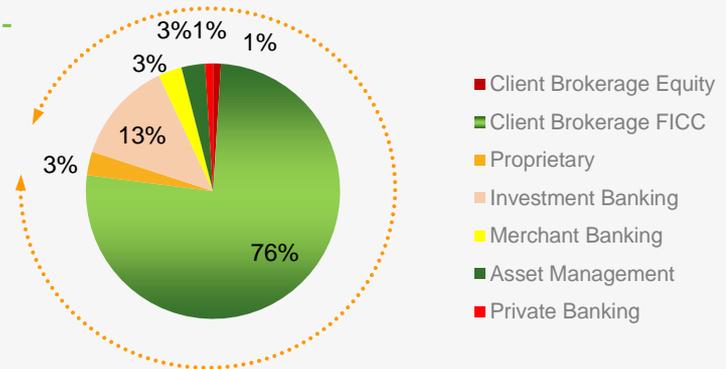
# Fees and other Non-Interest Incomes

## Fee Income Dynamics (RUB bn)



## IBGM– Additional Source of Non-Interest Income, 2012

97% – client driven business

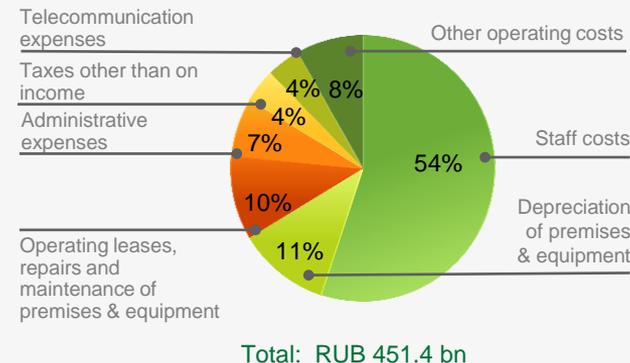


# Costs – General Highlights

## Operational Jaws Dynamics (%)



## Operating Expenses Structure, 2012



## Regional Average Cost-to-Income Ratios 2012

Region	Average CIR
Africa	49.9%
Asia-Pacific	50.9%
CEE	56.2%
C&S America	55.3%
Western Europe	59.0%
Middle East	39.7%
North America	64.6%

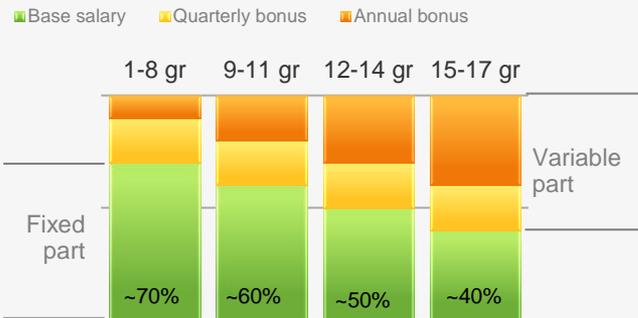
Source: [www.thebankerdatabase.com](http://www.thebankerdatabase.com)

## Dynamics of Cost Metrics (%)

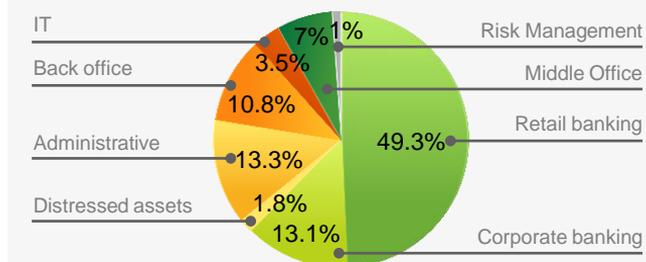


# Personnel Costs

## 25-Grades and KPI-based Motivation System Variable Part is ~38% of all Staff Costs



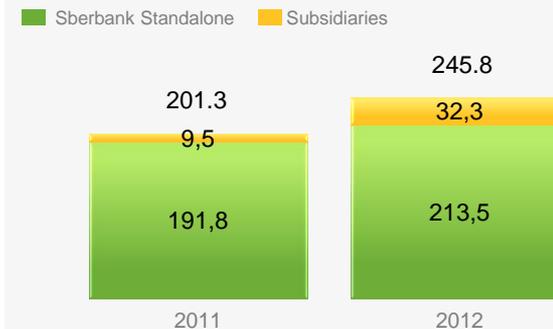
## Headcount Breakdown by Business Function



## Headcount Structure

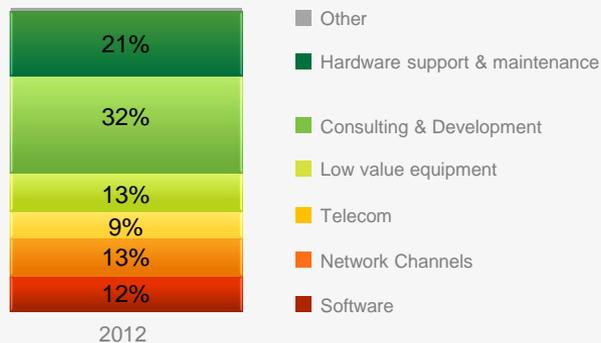


## Staff Costs Structure (RUB bn)

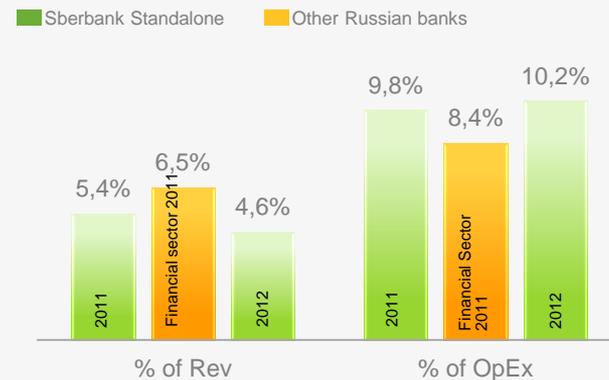


# IT Costs

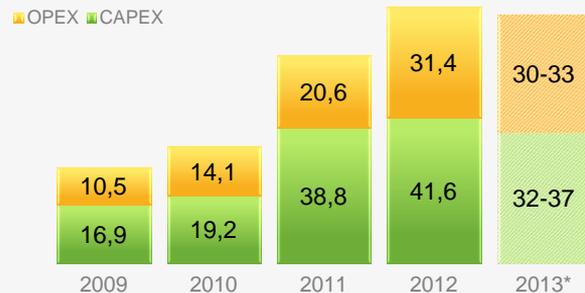
## IT OPEX Structure 2012 (RUB bn)



## Percentage of IT Expenses

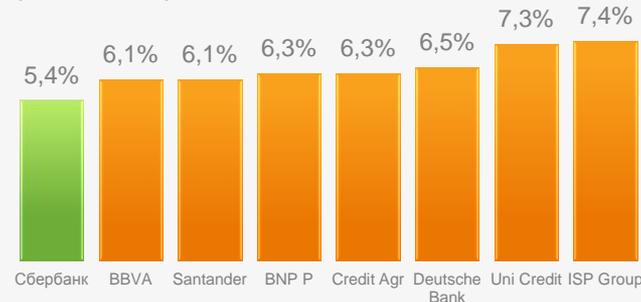


## The Dynamics of IT OPEX and CAPEX (RUB bn)



Sources: Sberbank's Standalone, Management accounts

## Comparison of the IT Budget in 2011 With Leading International Banks (% of Rev)



# Modernization of Branch Network

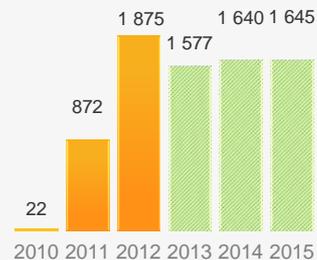
Efficiency of new-format Branches has increased several times over

## Reformatting Schedule

Jan 2011	Branch Reformatting Project launched: cross-country
Jan 2016	Project completion
~7 700	Branches to be reformatted across Russia
4+	4+ employees per branch as cut-off in selecting priority branches for reformatting
33%	Of branches relocated as a result of geo-marketing studies
~1.5-3.0x	Increase in volumes of various transactions in newly reformatted branches
50K+	Population of cities throughout Russia where Geo-marketing is applied

## Branch Network Reformatting Program

~7 700 branches



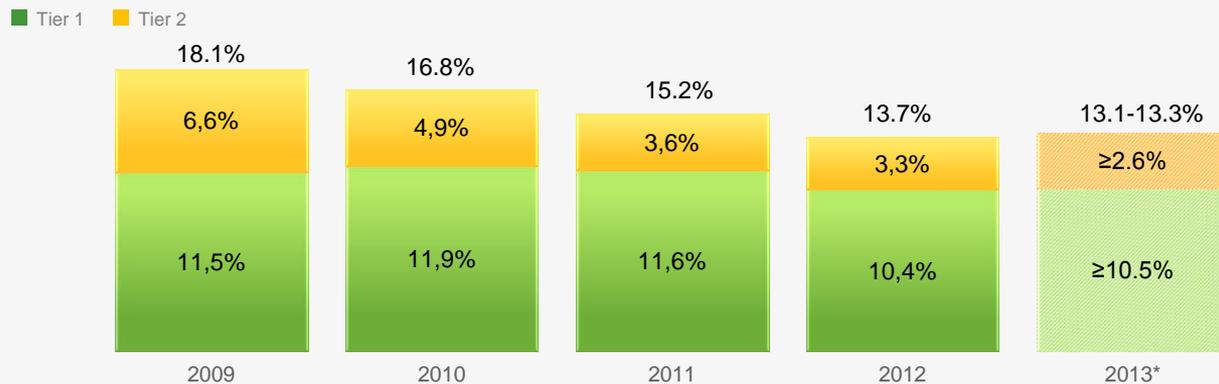
## Branch Reformatting Budget

	2011	2012	2013 (F)
# of branches under "work in progress"	1 718	2 724	2 264
Completed	836 units 244 th sq.m.	1 875 units 621 th sq.m.	1 577 units 630 th sq.m.
Total (CapEx+Opex)	RUB 24.6 bn	RUB 54.0 bn	RUB 50-60 bn

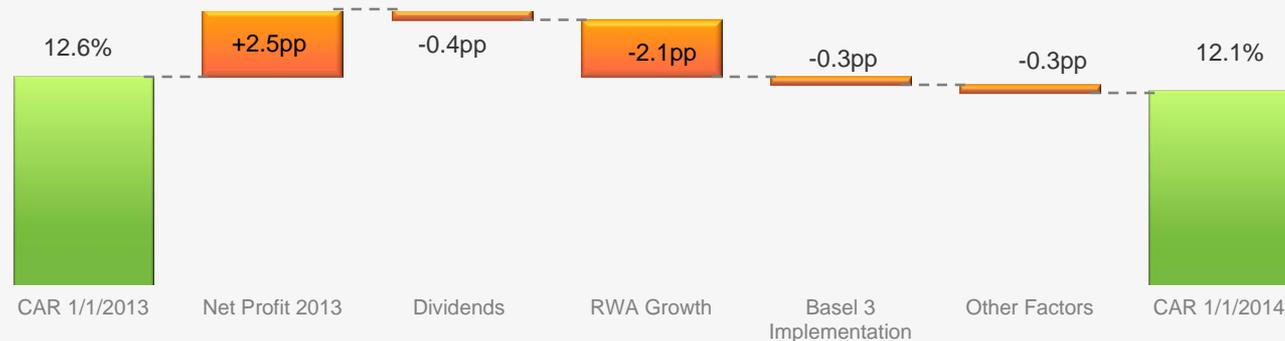


# Capital Adequacy

## Basel I Capital adequacy ratio, IFRS

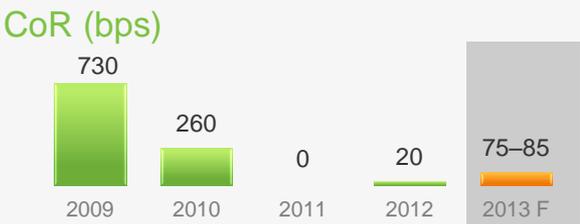
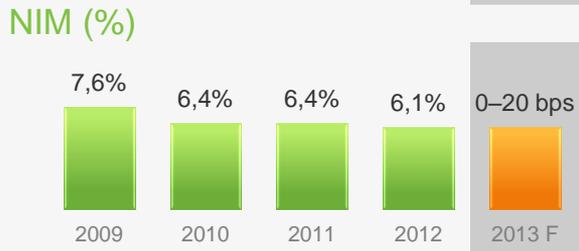
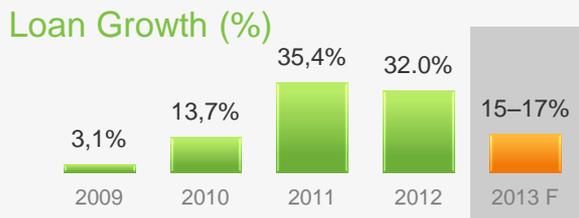
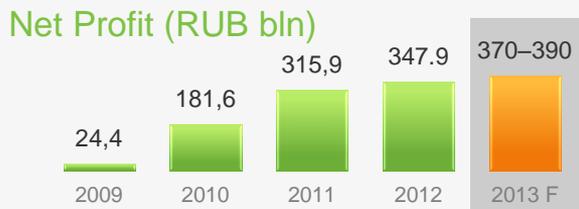


## Key Change Factors of CBR N1 Capital Adequacy Ratio in 2013



# Summary Guidance

## Sberbank Group for 2013





# Insights into Corporate Business

# Corporate and Investment Block

## Targets

- 🔄 Establish unique client interaction model and product distribution for corporate clients
- ✅ Differentiate client interaction model and product distribution by key segments: large, medium and small size enterprises
- ✅ Develop customized product solutions
- 🔄 Optimize support processes and technologies

## Achievements

- Developed a range of competitive product lines
- New loan underwriting process enabled substantial reduction in time-to-decision and increased number of applications processed
- Integration with Troika Dialog created a powerful CIB player
- Prime ranking positions in DCM , M&A and ECM
- New underwriting processes launched for micro and small businesses (Credit Factory, Credit Conveyor), as well as products (Business Environment, Business Start)

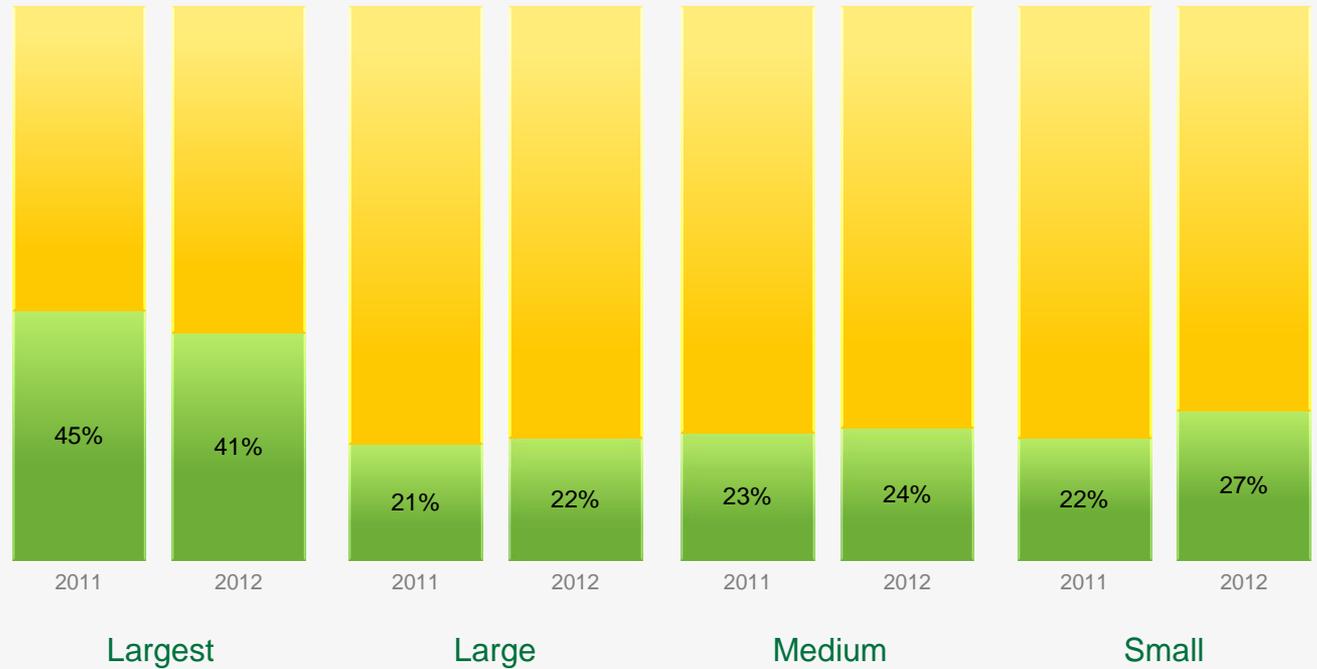
## Opportunities

Full roll-out of sales, planning and control functions of client managers, particularly for the segment of SME businesses

Significant increase in non-interest income from corporate clients

## Sberbank's Share of the Corporate Lending Market by Segment (%)

■ Sberbank ■ Rest of market



Sources: Sberbank operating statistics for the respective periods

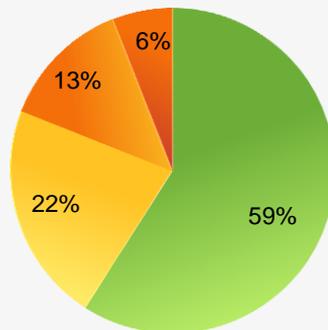
Corporate  
Business

Clients'  
Market Share

# Corporate Business

## Loan Portfolio by Business Sizes (Sberbank Standalone vs. Group)

Sberbank Standalone:  
Loan Portfolio by Size of Borrowers



### 59% Largest

Annual Revenues (million, RUB)	Over 15 000
--------------------------------	-------------

Number of Customers	Over 3 100
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### 13% Medium

Annual Revenues (million, RUB)	400 – 2 500
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Number of Customers	~ 26 000
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### 22% Large

Annual Revenues (million, RUB)	2 500 – 15 000
--------------------------------	----------------

Number of Customers	Over 8 500
---------------------	------------

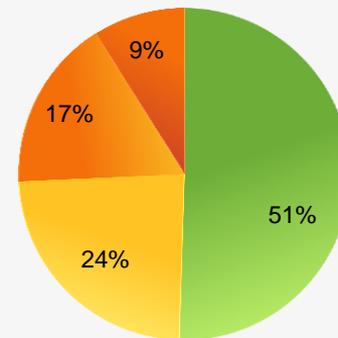
### 6% Small

Annual Revenues (million, RUB)	60 – 400	up to 60
--------------------------------	----------	----------

Number of Customers	~ 1 000 000	
---------------------	-------------	--

Sources: Sberbank operating statistics for the respective periods

Sberbank Group:  
Loan Portfolio by Size of Borrowers



### 51% Largest

### 24% Large

### 17% Medium

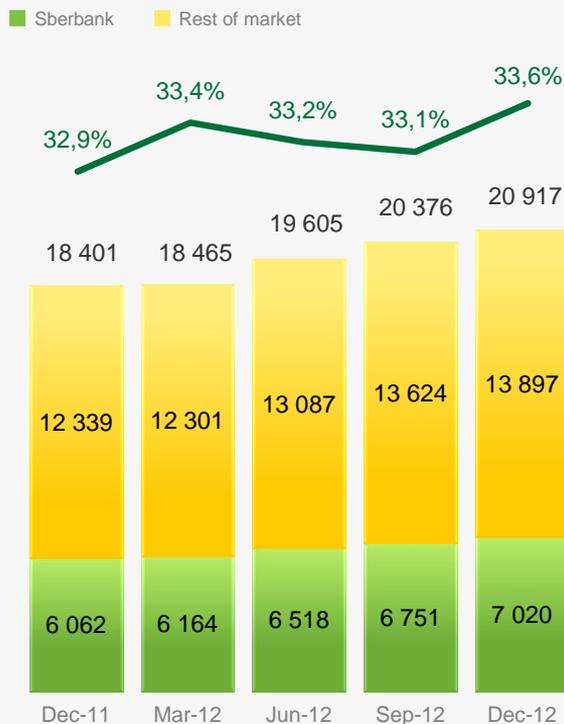
### 9% Small

Sources: Sberbank 2012 IFRS annual report

# Corporate Business

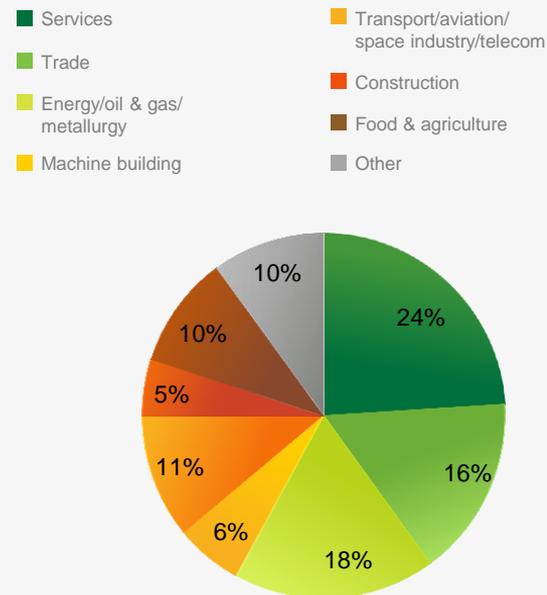
## Loan Portfolio Dynamics and Sector Composition

### Corporate Loans (RUB bn) Sberbank's Share of The Market



Sources: Sberbank operating statistics for the respective periods

### Corporate Loan Portfolio Structure by Sector

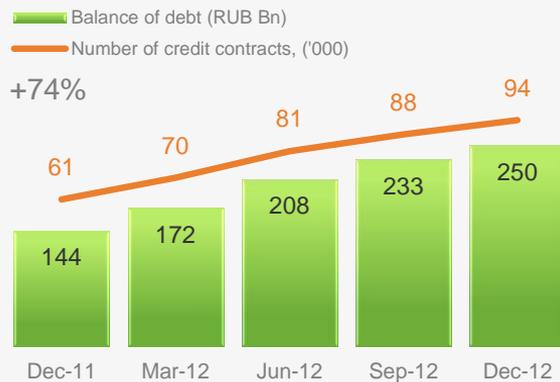


Sources: Sberbank 2012 IFRS annual report

# Small and Micro Business Products

## Loans

### Product Group: Business

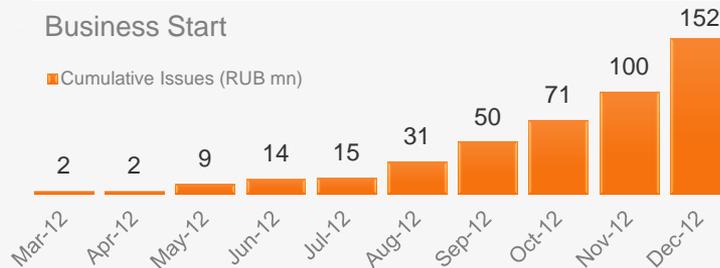


High-quality loan book: NPL 1.3% as of Jan 1, 2013

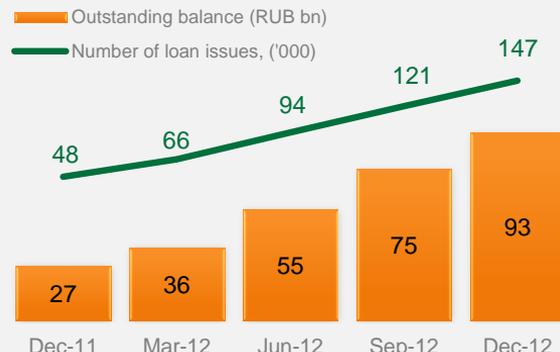
#### New Products:

- Business Project
- Business Overdraft
- Business Guarantee
- Business Start

#### Business Start



### Product Group: Doveriye



### “Delovaya Sreda” – Business Environment Technology

29  
Unique Users  
392  
Registered Users  
as of August 2012  
(product launch)



465 280  
Unique Users  
29 119  
Registered Users  
as of December 2012

Sources: Sberbank operating statistics for the respective periods

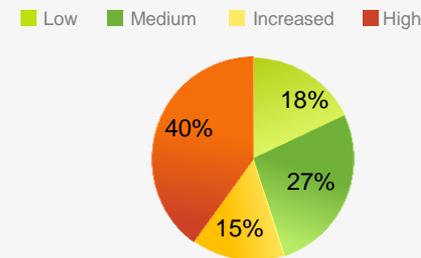
# Large and Medium-Sized Businesses

## Credit Quality: Exposure Breakdown by Risk Segment

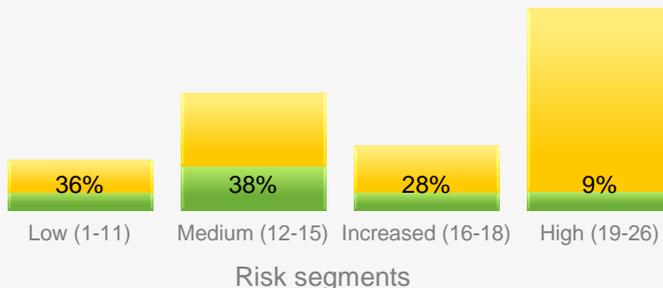
Large Clients  
Sberbank's Share in Each Risk Segment vs. Market



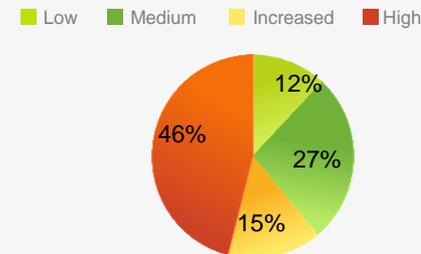
Market Structure  
by Risk Profile



Medium-Sized Clients  
Sberbank's Share in Each Risk Segment vs. Market



Market Structure  
by Risk Profile



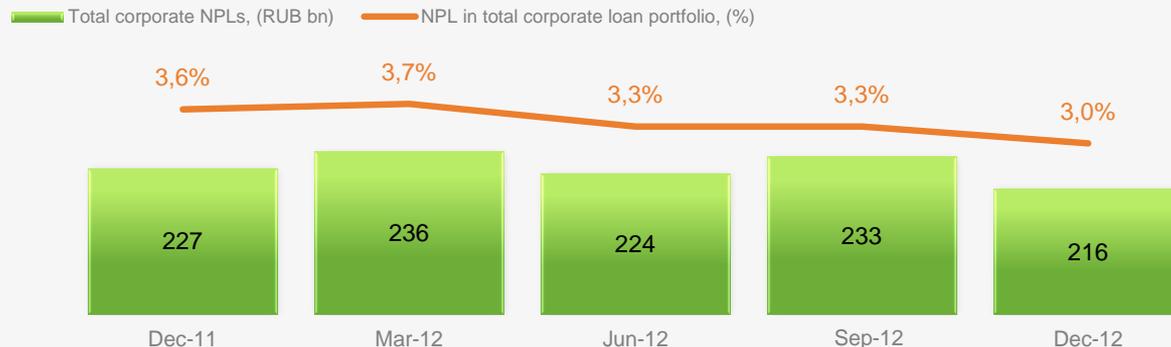
Sberbank's portfolio risk profile is significantly below that of the market

Sources: SPARK Database for 2010-11. Internal risk assessment methodology

# Corporate Business

## Credit Quality Renegotiated Loans

### NPL in Total Corporate Portfolio



Source: Sberbank (standalone) quarterly 2012 IFRS

### Total Restructured Loans and NPL Ratio (Included in Total NPL)



Source: Sberbank (standalone) quarterly 2012 IFRS

# CIB

## Integration Highlights and Market Positioning

### Investment Business Results

Global Markets  
Investment Banking  
Merchant Banking  
AM, Private Banking

Net Profit 2012  
\$280 mln

- Creation of Sberbank CIB and introduction of the unified brand
- 950 people work in CIB business units (339 in HQ, 361 in IBGM, 250 in regional banks) and 733 run support functions
- Multinational team with an average age of 34 years
- 21 sector strategies were created
- 2 600 clients are under coverage in Russia, including IBGM product range, and 815 abroad
- Complementing product lines with IBGM services increased client loyalty index among largest corporate clients to 67 (from 60)
- IBGM remains one of the main revenue drivers; contribution to CIB revenues was up to 16% from 13%

### 2012 Highlights

DCM					ECM					M&A							
Rank	Book- runner	Amount (USD Min)	Issues	Share %	Rank	Book- runner	Deal Value (USD Min)	Issues	Share %	Rank	Book- runner	Deal Value (USD Min)	Issues	Share %			
'11	'12	'12	'12	'12	'11	'12	'12	'12	'12	'11	'12	'12	'12	'12			
1	1	VTB Capital	15 595	92	19	6	1	Credit Suisse	1 733	4	18	10	1	Sberbank CIB	19 081	31	25
2	2	Sberbank CIB	10 740	77	13	10	2	Sberbank CIB	1 630	5	17	6	2	Goldman Sachs	16 013	18	21
3	3	Gazprombank	8 337	51	10	3	3	Morgan Stanley	1 587	4	16	8	3	Deutsche Bank	15 655	14	20
8	4	Citi	5 786	23	7	8	4	JPMorgan	1 366	4	14	1	4	VTB Capital	9 286	16	12
4	5	JPMorgan	5 673	25	7	5	5	Goldman Sachs	1 041	1	11	7	5	Credit Suisse	8 926	12	12
Total			84 129	275	100	Total			9 741	16	100	Total			76 775	2287	100

Source: Dealogic as of 1 January 2013

# Transactional Business

## Trade Finance

### Cash Management

### Products

- Internal and external payments
- Cash operations
- Current account opening and servicing
- Interest on outstanding balance
- Cash collection
- Remote banking services
- Currency control and Overseas operations
- Corporate cards
- Currency conversion
- Payroll projects
- Acquiring
- Overdraft

### Guarantees

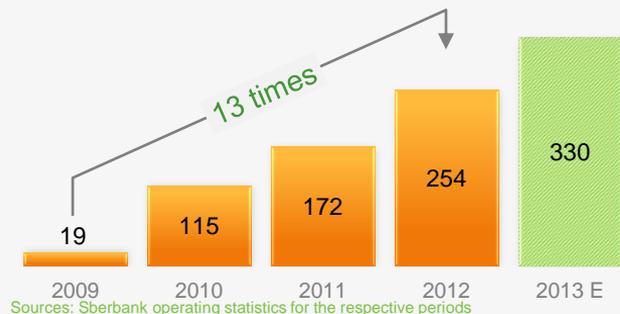
Trade Finance and Documentary Operations

Cash and Settlement Transactions with Financial Institutions

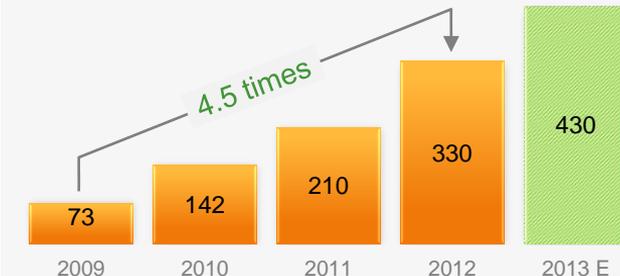
### New Products

Cash Management  
E-invoicing  
Trade Finance  
Consulting

### Volume of New TF Transactions for Period (RUB bn)



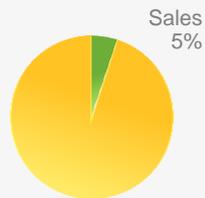
### TF Portfolio Balance of Active Deals for the End of the Period (RUB bn)



# Banking Channels Current and Planned Approaches

## Remote Channels 2013

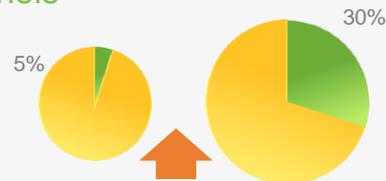
Sales  
Service  
Informing



Account management	Currency Control	Deposits	Payroll Projects
E-invoicing	Cash collection	Cash transactions	Overdraft
Corporate cards	Package services	Cash management	Acquiring

## Remote Channels 2015

Sales  
Service  
Informing



Account management	Currency Control	Deposits	Payroll Projects
E-invoicing	Cash collection	Cash transactions	Overdraft
Corporate cards	Package services	Cash management	Acquiring

## Branch Network 2013

Sales  
Service  
Informing



Account management	Currency Control	Deposits	Payroll Projects
E-invoicing	Cash collection	Cash transactions	Overdraft
Corporate cards	Package services	Cash management	Acquiring

## Branch Network 2015

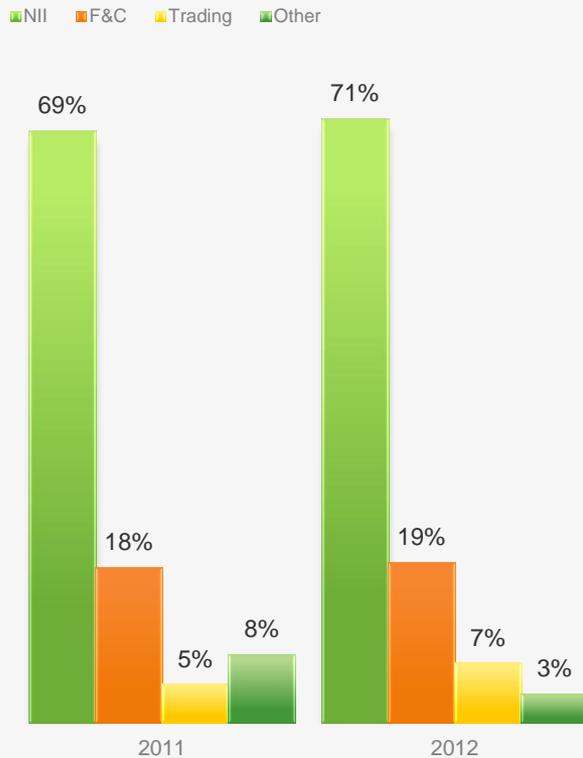
Sales  
Service  
Informing



Account management	Currency Control	Deposits	Payroll Projects
E-invoicing	Cash collection	Cash transactions	Overdraft
Corporate cards	Package services	Cash management	Acquiring

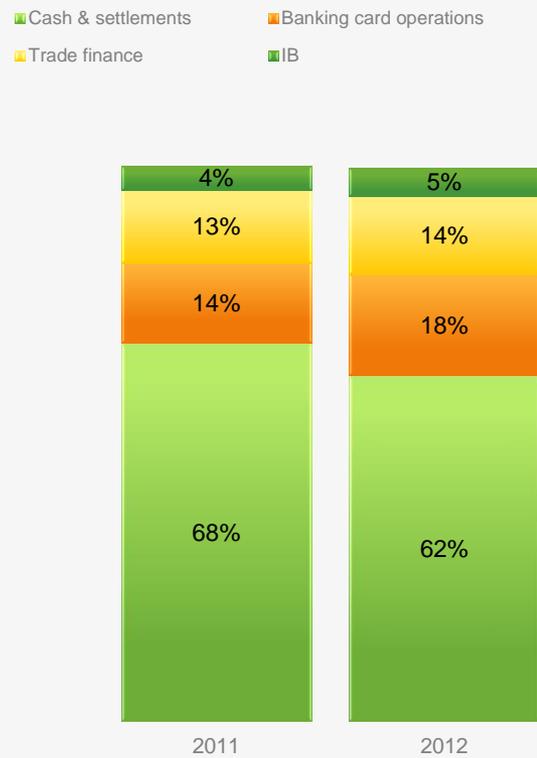
# Revenue Composition

## Revenue Structure 2011 - 2012



Sources: Sberbank operating statistics for the respective periods

## Fees & Commission Income Structure





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# Insights into Retail Business

# Retail Block

## Targets

- ✓ Reduce share of manual operations at branches and decrease share of cash transactions
- ✓ Develop various sales channels for banking products and services
- ✓ Continuously improve the quality of client services
- ⊖ Introduce sales standards; continuously monitor sales process and results; improve sales standards
- ⊖ Complete branch reformatting project

## Achievements

- New model of sales and client service tailored for various client segments, zoning at retail outlets, new format roll-out across retail branches
- Index of service quality reached 93.3%
- Credit card market share up to 22.3%
- > 70 000 ATM and self-service terminals – the largest single bank owned network in Europe
- Intensive development of new comprehensive electronic banking channels



Time-to-answer at call-center (seconds)



Share of remote channel transactions (%)



## Opportunities

Full roll-out of sales, planning and control functions of client managers, particularly for the segment of medium-sized businesses

# Retail Deposits

## Retail Deposits (RUB bn)

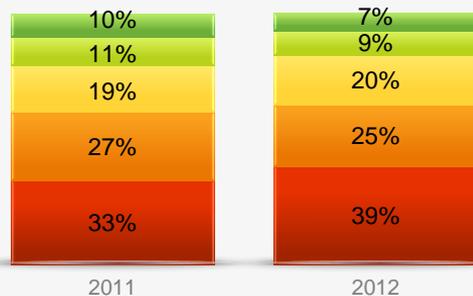
■ Term deposits ■ Current accounts



Sources: Sberbank Group IFRS annual financial reports

## Retail Deposits Structure

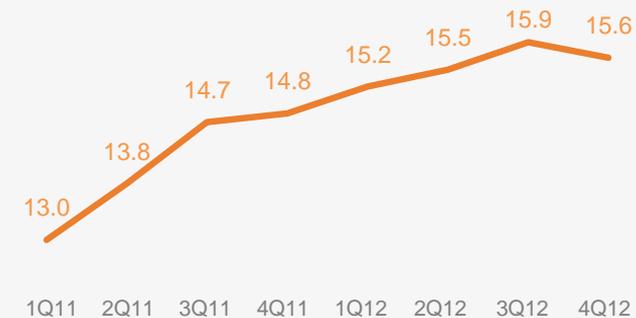
■ Pension ■ Main basic deposits ■ Current accounts  
■ Promo deposits ■ Other



Sources: Sberbank operating statistics for the respective periods

## Average Daily Balances (%)

Share of debit cards balances of total retail deposits



# Retail Loan Portfolio

## Retail Loans (RUB bn)



## Number of Loans Issued ('000)



Sources: Sberbank operating statistics for the respective periods

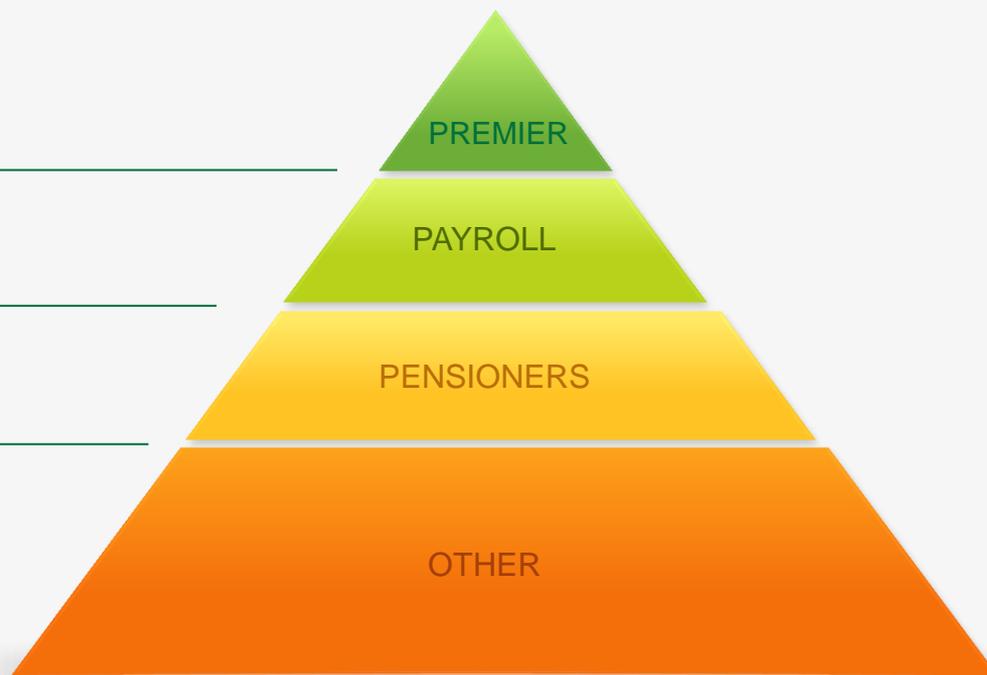
# Sberbank Retail Clients

0.6 mn  
Premier

19 mn  
Payroll

21 mn  
Pensioners

69 mn  
Other



TOTAL: ~110 mn retail clients

Sources: Sberbank operating statistics

# Payroll and Pension Accounts

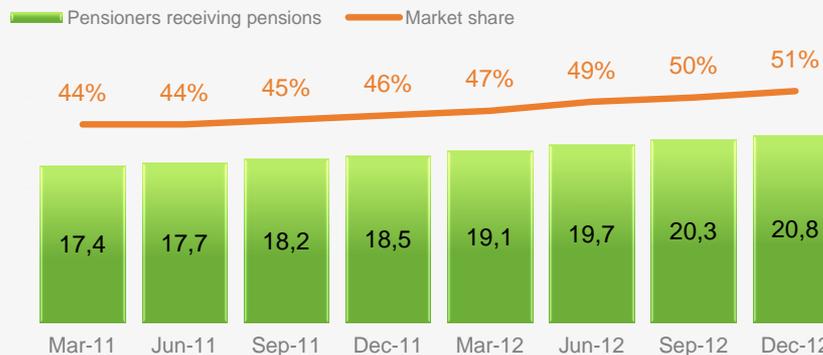
## Number of Active Payroll Accounts ('000 corporate clients)



Strategic goal of 2012 to increase the number of corporate clients on Payroll:

- Allows for cross-sell of products
- Better credit risk control

## Pensioners Receiving Pensions via Sberbank (mn)



Strategic goal of 2012 to achieve #1 market position in servicing pensioners:

**Goal achieved; current market share of 51%**

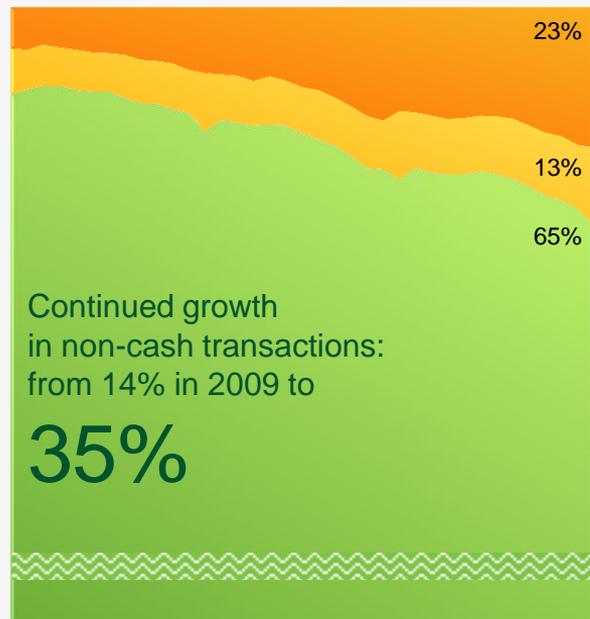
Sources: Sberbank operating statistics for the respective periods

# Transactions

Bank Cards  
Mobile Banking

## Bank Card Transactions

■ Cash transactions
 ■ POS payments
 ■ Transfers



Continued growth  
in non-cash transactions:  
from 14% in 2009 to

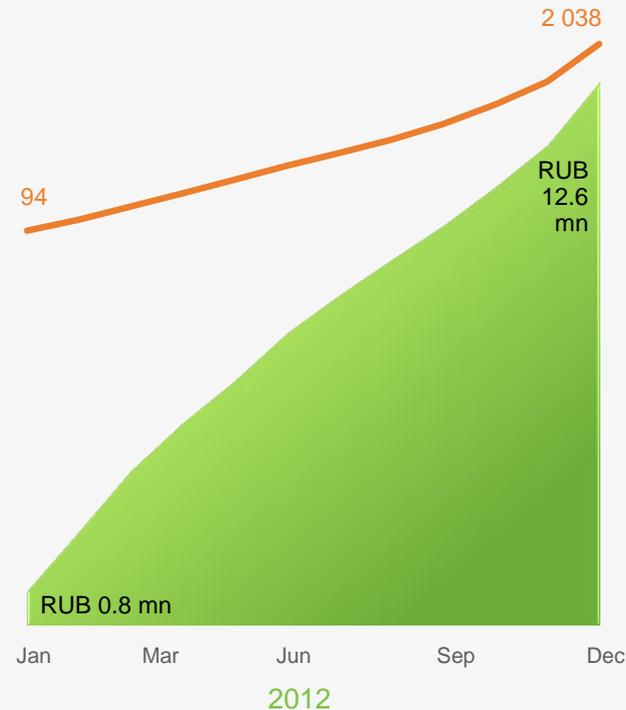
# 35%

Jan Mar Jun Sep Dec Mar Jun Sep Dec Mar Jun Sep Dec  
2010 2011 2012

Sources: Sberbank operating statistics for the respective periods

## Mobile Banking: P2P Transfer Volumes

■ P2P Cumulative transfer volumes (RUB mn)  
— Cumulative number of transactions ('000)



# Credit Cards

## Total Number of Credit Cards (mn)



## Credit Card Portfolio Dynamics (RUB bn) vs. Market Share



## Trade Turnover Per Active Credit Card ('000 RUB)



Sources: Sberbank operating statistics for the respective periods

# Remote Channels

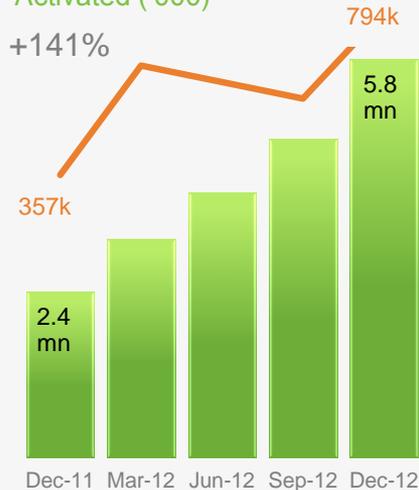
## Types of Remote Channels offered at Sberbank:

- Self-service terminals
- Sberbank Online
- ATM machines
- Mobile banking

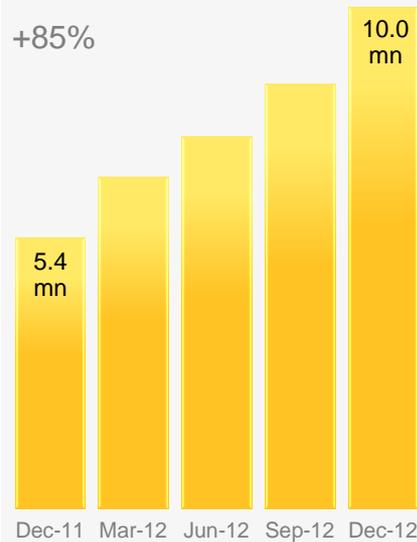
## Direct Debit:

- Contracts with Russia's largest mobile operators to activate the function
- 2012 achievement: availability of function to pay utility and electric bills cross-country

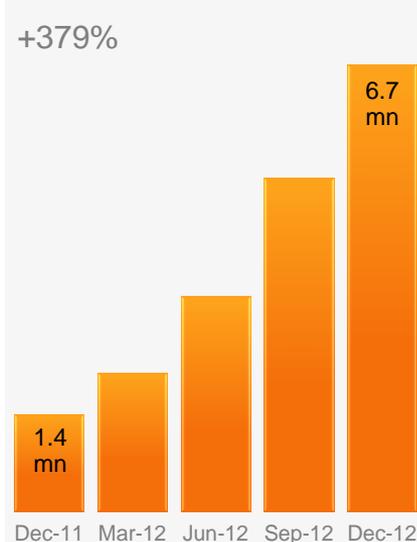
Total Number of Active Sberbank Online Users (mn) vs. Number of Online Users Activated ('000)



Total Number of Mobile Banking Users (mn)



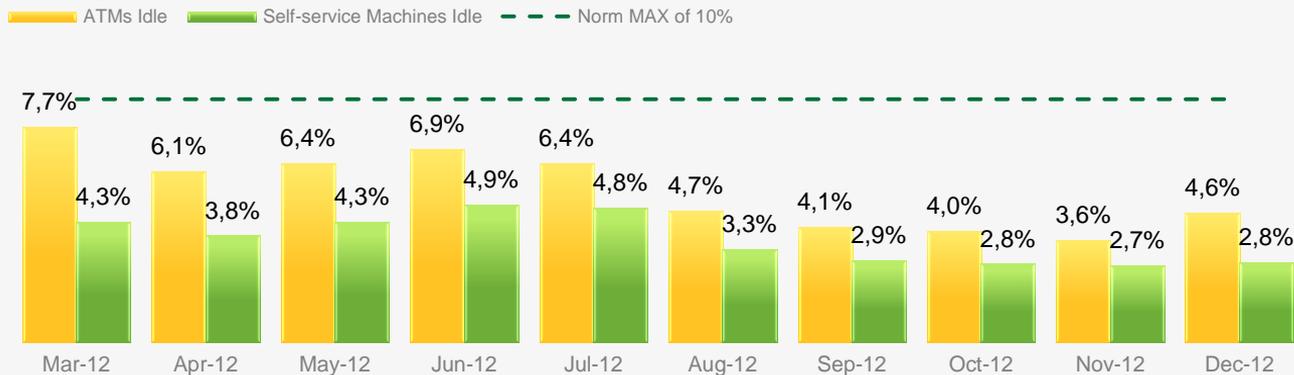
Direct Debit Subscribers (mn)



Sources: Sberbank operating statistics for the respective periods

# Quality of Services

## Number of Machines Idle (%)



## Quality and Services Indexes

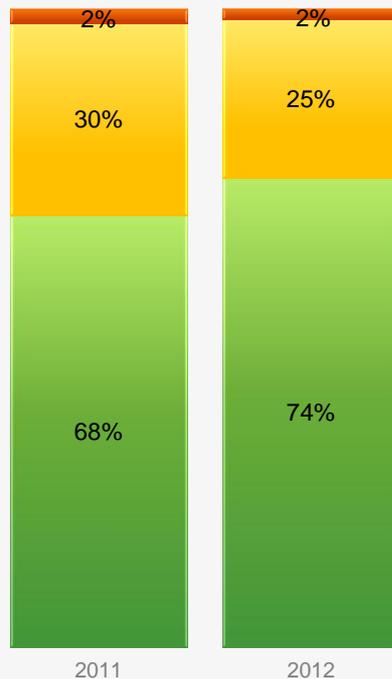


Sources: Sberbank operating statistics for the respective periods

# Revenue Structure

## Revenue Structure, (share %)

■ NII    ■ F&C    ■ Other



Sources: Sberbank operating statistics for the respective periods

## F&C Income Composition

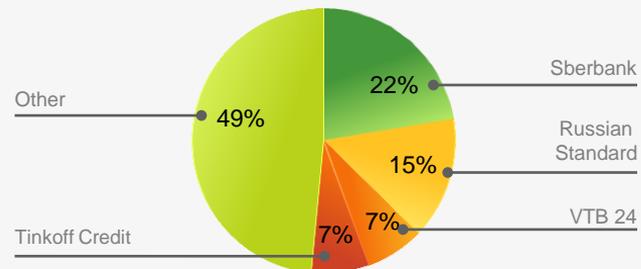
■ Bank card transactions    ■ Payments & Transfers  
 ■ Insurance    ■ Payroll    ■ Other



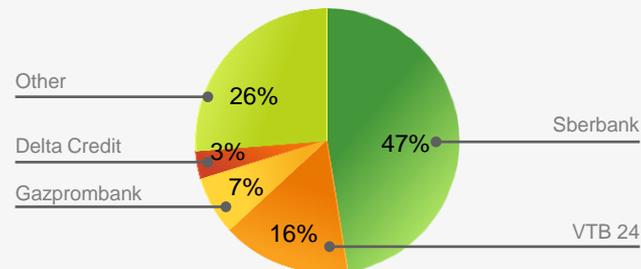
# Market Share

## Selected products

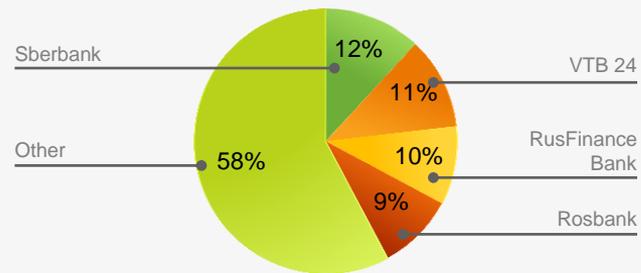
### Credit Card Market Structure as of 1.02.2013



### Mortgage Market Structure as of 1.02.2013

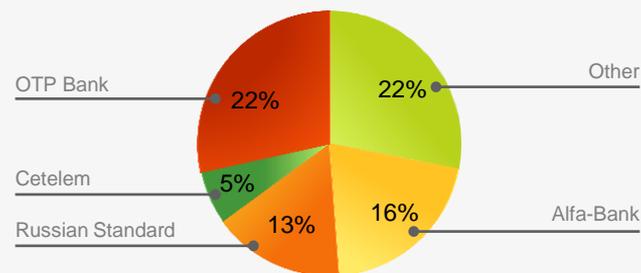


### Car Loan Market Share as of 1.02.2013



Sources: Frank Research Group

### POS Market Structure as of 1.02.2013





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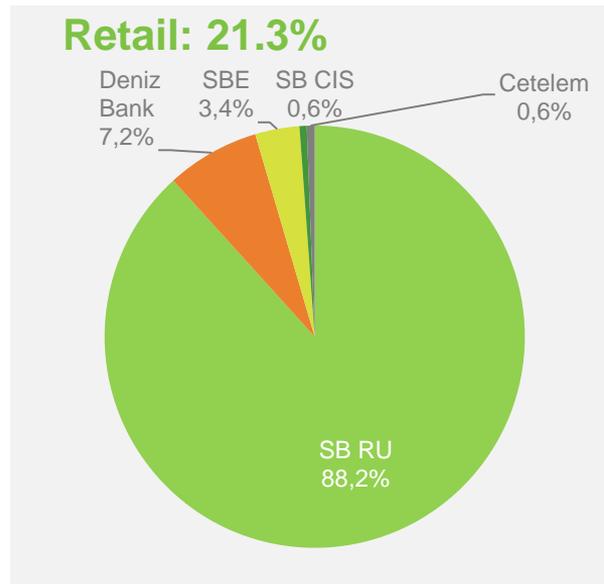
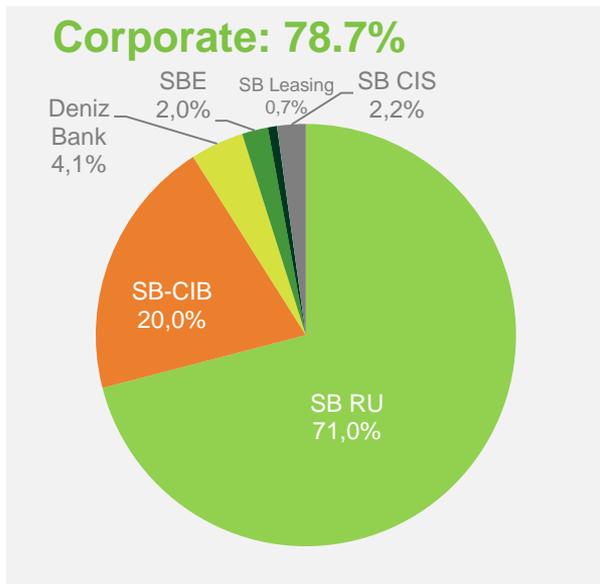
*By your side*

# Risk Management

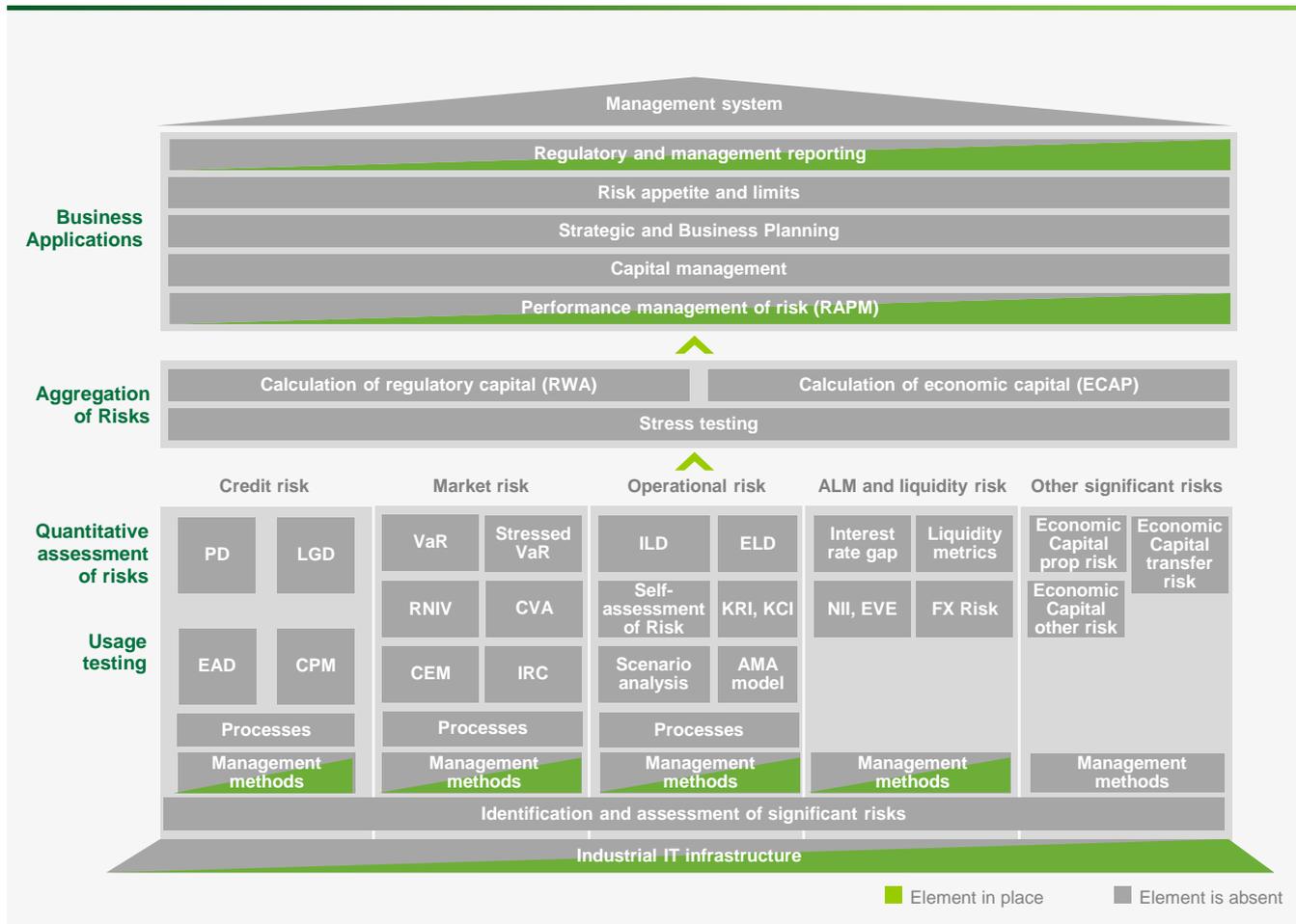
Our Goal:

To build up a risk management system for Sberbank Group aligned with world's best practices and Basel Committee on Banking Supervision requirements

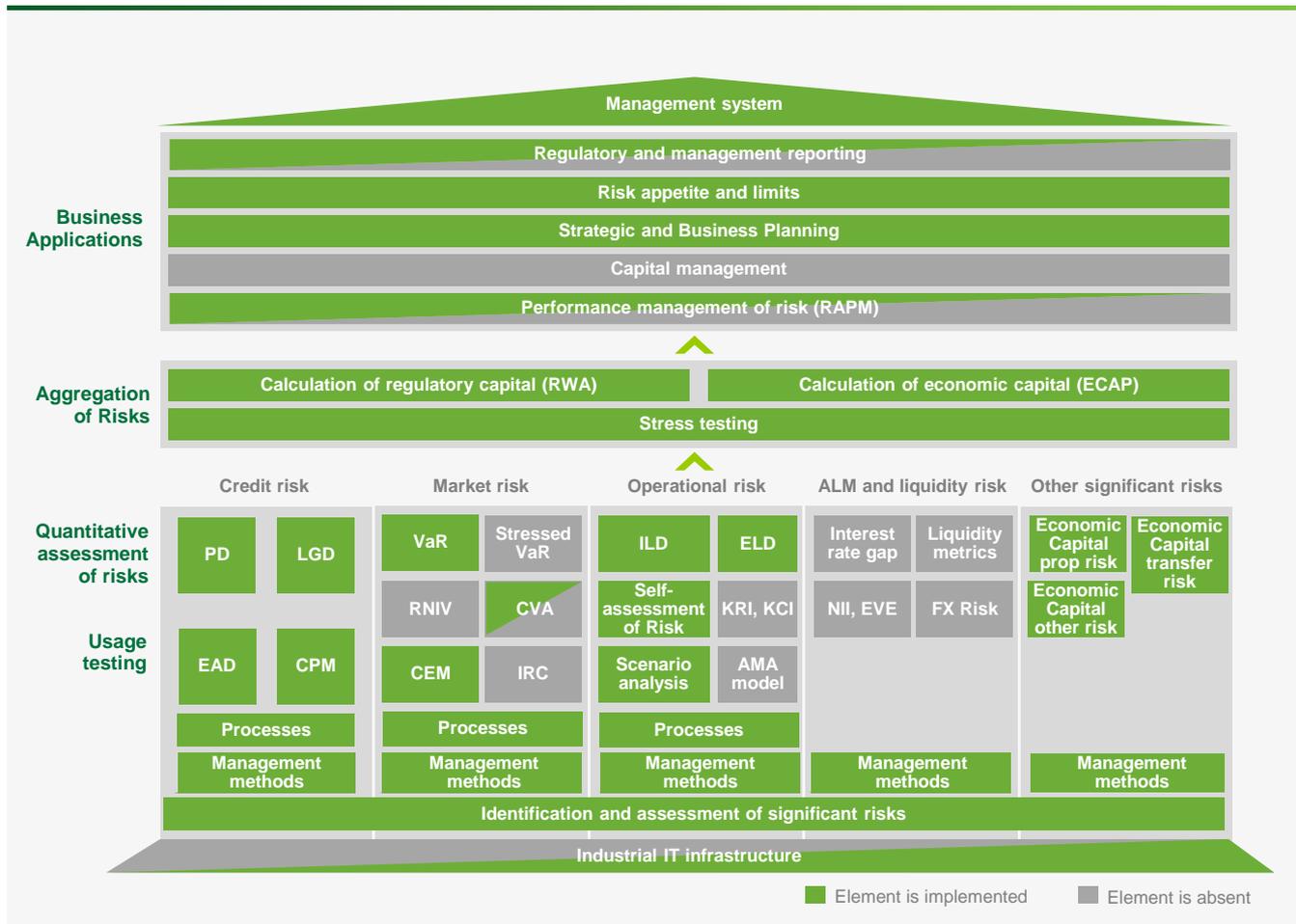
## Portfolio structure



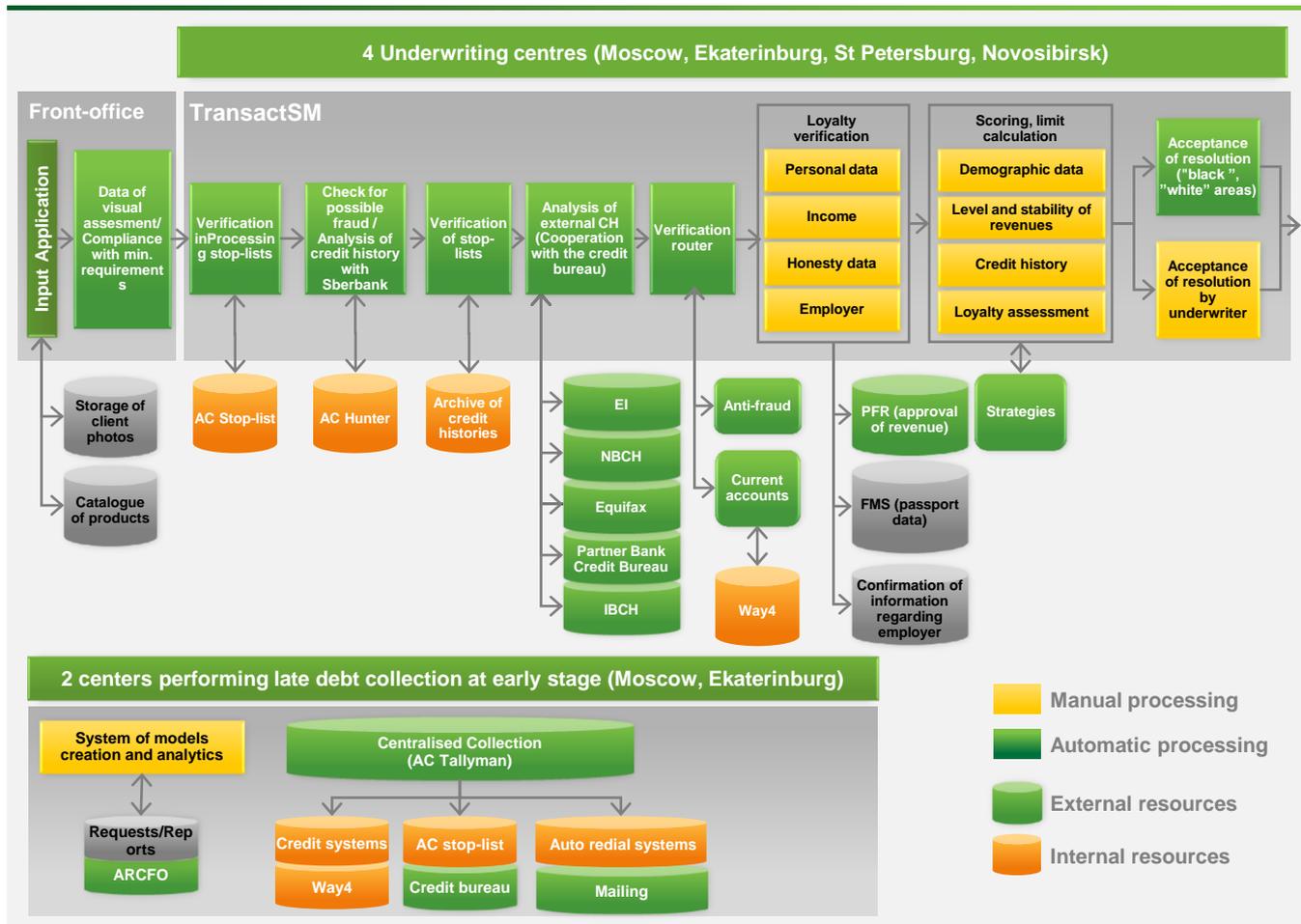
# Elements of the target model of integrated risk management in 2007



# Elements of the target model of integrated risk management in 2012



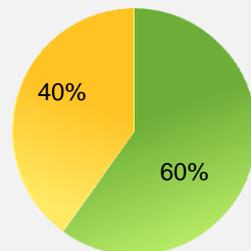
# “Credit Factory” for Retail and SME



# Credit Factory Retail portfolio results

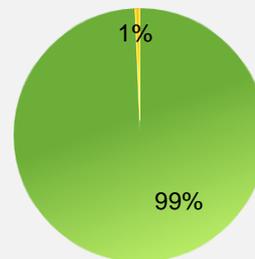
## Portfolio Structure

■ Credit factory ■ Previous Credit Process



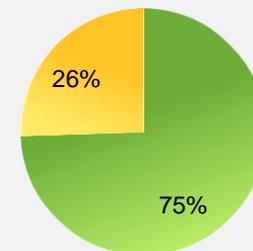
## Cash Loans Granted Q3 2012

■ Credit factory ■ Previous Credit Process



## Mortgages Granted Q3 2012

■ Credit factory ■ Previous Credit Process



Applications received	18.9 mn
Customers analyzed	15.6 mn
Average approval rate	63.2 %
Average time-to-decision	15.1 hours
Loans disbursed	11.6 mn
in total amount	RUB 2 307 bn

## Average loan amount, RUB

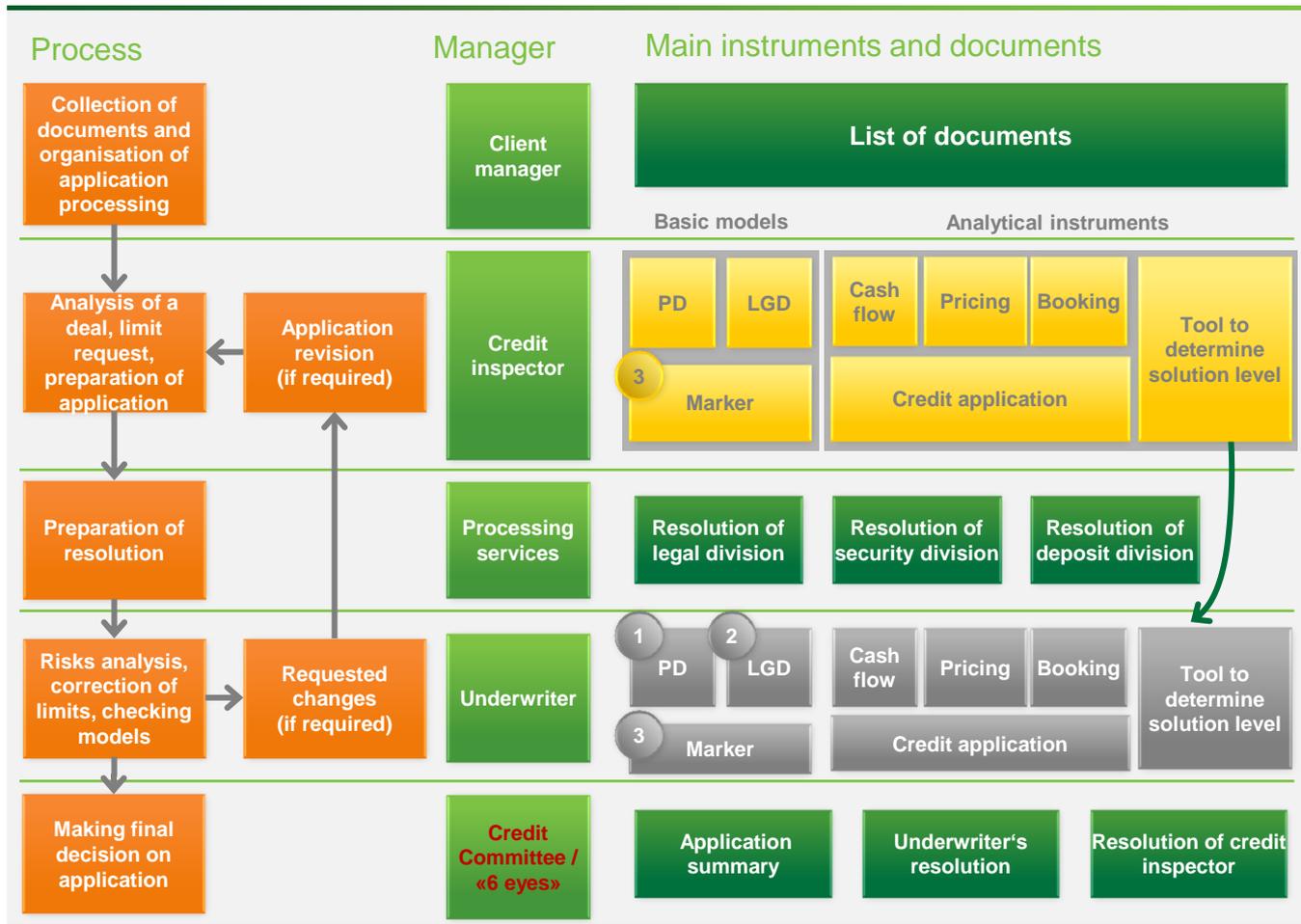
Cash	147 ths
Car	466 ths
Mortgage	1 301 ths

## As of 01.01.13

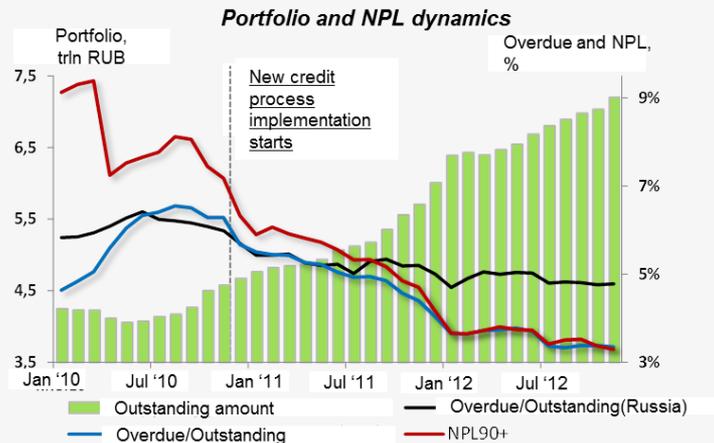
Portfolio	RUB 1 562 bn
Number of loans	9.2 mn
NPL90+ share in Portfolio	<b>0.86%</b>

# New Corporate Credit Process

- Main operations
- Main instruments
- Main documents
- 3 Credit marker - the maximum amount of liability determined on the basis of a maximum debt

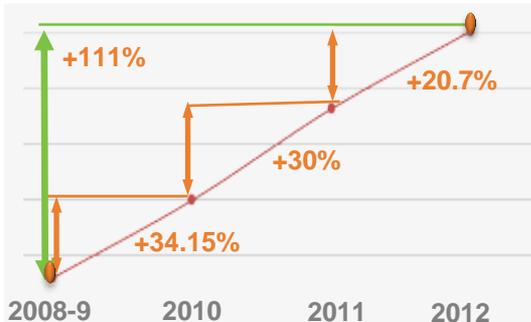


New corporate credit process allows better than sector risk level and quality of the loan portfolio



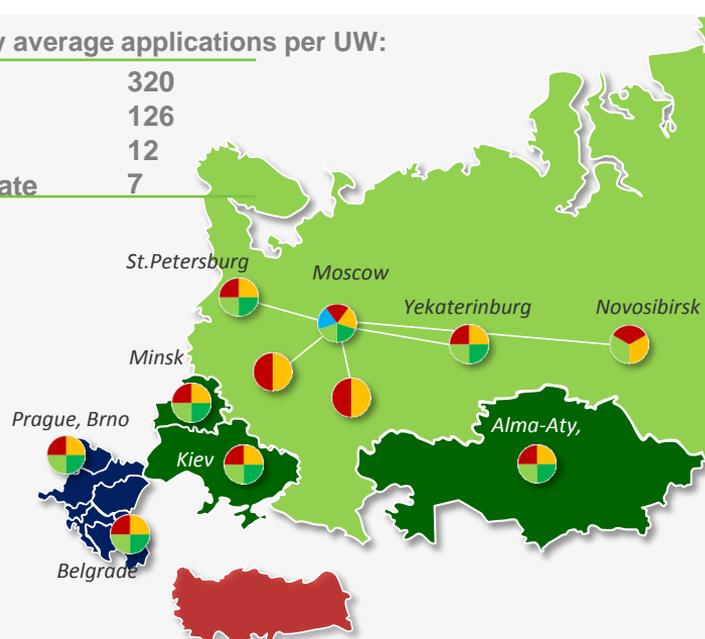
New Risk Processes Double Business Productivity in Lending – Both for Corporate and Retail Books

## Productivity Increase



### Monthly average applications per UW:

Retail	320
Micro	126
SME	12
Corporate	7



### Interregional UW center



# Principles of Operational Risk Management

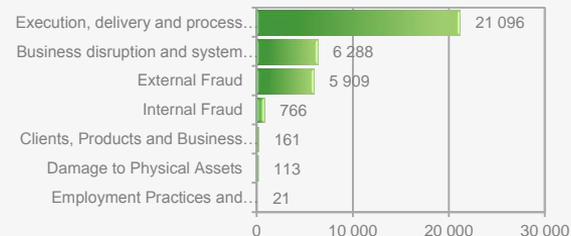
## Process

- Internal loss data collection
- Risk self-assessment
- Scenario analysis
  
- 32 000 risk coordinators in all units
- IT platform – SAS OpRisk Management
  
- Roll out completed for Russia in 2012
- Roll out for Eastern Europe and Turkey – 2013-2014

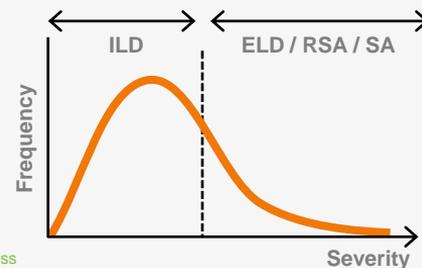


## Results

**OR Incidents statistics across Basel event types:  
>34'000 EVENTS above 10k RUB threshold in 2012**



## OR Capital Model \*



## OR Level: reports and measures

- Ad-hoc reports and escalation to unit heads
- Weekly reports
- Monthly/Quarterly reports and monitoring

# Main processes for Risk Management for Global Markets

## High degree of process centralization

Determination and allocation of risk appetite

Risk limits setting and revision

Regular

On demand

Ad hoc

Fast reduction

Control process

Preliminary control

Current control

End of day control

Post control

Market conformity check and Independent price verification

Credit ratings monitoring and review

Collateral management

# Economic Capital Pilot Assessment

Contribution of each risk type to the overall economical capital of the Bank relative to European peers

Assessed as at 31.12.2012



## Plans for 2013

---

**Develop Group reporting to Regulator, related principles of Basel II**

**Complete modeling development for Subsidiaries**

**Implement new credit decision processes in subsidiary banks:**

- **«New Credit Process» (Corporate)**
- **«Credit Factory» (Retail)**

**Implement of Operational incidents registration system at Group level**

**Develop logic for general Group limits structure**



**SBERBANK**

*By your side*

Thank You