Sberbank’s 2014-2018 strategy highlights

## Agenda

### 1. Sberbank: Robust Growth Aspirations Against a Backdrop of Solid Delivery of Results
- **Herman O. Gref**
  - President, Chairman of the Executive Board

### 2. Clear Plan in Place to Address Market and Strategic Challenges
- **Denis A. Bugrov**
  - Senior VP, member of the Executive Board

### 3. Five Core Strategy Themes to Support Growth and Profitability Agenda
- **Maxim V. Poletaev**
  - First Deputy Chairman of the Executive Board

### 4. Growth, Profitability and Innovation in All Key Business Lines
- **Lev A. Khasis**
  - First Deputy Chairman of the Executive Board

### 5. Excellence in Technology, Support and Operations
- **Alexander V. Morozov**
  - CFO, Deputy Chairman of the Executive Board

### 6. Ambitious Financial Targets for 2018
## Agenda

1. **Sberbank: robust growth aspirations against a backdrop of solid delivery of results**

2. **Clear plan in place to address market and strategic challenges**

3. **Five core strategy themes to support growth and profitability agenda**

4. **Growth, profitability and innovation in all key business lines**

5. **Excellence in technology, support and operations**

6. **Ambitious financial targets for 2018**
A proven track record of delivery

- Net profit x2.5-3.0 times from 2007
- ROE above 20%
- Russian market share at 25-30%
- Cost-income ratio down to 40%
- Strengthen competitive position in major products
- 5-7% of net profit from international operations
- Strong corporate culture
- Headcount down to 200,000 - 220,000 employees
- Strong brand and loyal customers
- Effective and reliable systems and processes
We instil confidence and reliability

We make people’s lives better by helping them to fulfil their aspirations and dreams
I am a leader

We are a team

All for the client
Truly great organizations systematically produce four key results:

• A stable, ongoing achievement of the highest level of productivity. These organizations flourish financially in the short term, as well as in the long term.

• They have earned the loyalty of their customers—and not only their satisfaction, but also passionate devotion and love.

• Their employees are completely loyal to the company, and put their heart and soul into their work. People who work in truly great organizations are not merely satisfied with their work for them, it serves as a source of inspiration, and they commit all their passion and energy to their task.

• Truly great organizations do not simply “do business” as we commonly understand the term, rather they fulfill a unique mission, which clearly distinguishes them from the common mass.
Ambitious financial targets

Group Financial Targets

Profitability & Capital, %
- ROE 2018
- CAR (Tier 1) 2018

Efficiency, %
- Cost / Income ratio 2018
- Cost / Assets ratio 2018

Growth
- Assets 2018 / 2013
- Net profit 2018 / 2013

18-20 > 10 40-43 < 2.5 X 2 X 2

Base-case scenario; under IFRS
Sberbank 2018 Challenges

- Macro environment
- Margin pressure
- Client behavior
- New competitors
- Regulation and capital pressure
- Cost pressure

Bank profitability
5 main strategy themes

**With the customer for life**: We will build enduring relationships of trust with our clients and will become a useful, sometimes invisible, but integral part of their lives. We strive to go beyond expectations of our clients.

**Team and Culture**: We strive to make our people and corporate culture one of our key competitive advantages.

**Technological Breakthrough**: We will complete technical modernization of the Bank and will integrate cutting-edge technology and innovation into our business.

**Financial Excellence**: We will improve our financial performance by effective management of costs and risk/return ratio.

**Mature Organization**: We will build organizational and management skills and establish processes matching the international scale of Sberbank Group and our new ambitions.
1. Sberbank: robust growth aspirations against a backdrop of solid delivery of results
2. Clear plan in place to address market and strategic challenges
3. Five core strategy themes to support growth and profitability agenda
4. Growth, profitability and innovation in all key business lines
5. Excellence in technology, support and operations
6. Ambitious financial targets for 2018
Macro outlook

GDP growth forecast 2014-2018, CAGR

World
- Moderate growth ~ 3.5%

Russia
- Slow growth ~2.2-2.4%

Turkey
- Moderate growth ~ 4.3%

CEE
- Moderate growth ~ 4.1%
  - Austria
  - Slovakia
  - Czech Republic
  - Croatia
  - Bosnia
  - Serbia
  - Slovenia
  - Hungary

CIS
- Moderate growth ~ 5.9%
  - Kazakhstan
  - Belorussia
  - Ukraine
  - ~ 3.0%
  - ~ 1.5%

Base-case scenario
Banking market indicators for the countries of our presence: historical data and forecast

Key market growth projections

<table>
<thead>
<tr>
<th></th>
<th>Russia</th>
<th>CIS²</th>
<th>Turkey</th>
<th>CEE³</th>
</tr>
</thead>
<tbody>
<tr>
<td>End of period assets</td>
<td>1 800</td>
<td>2 350</td>
<td>230</td>
<td>350</td>
</tr>
<tr>
<td>USD bln</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Banking Assets CAGR, %</td>
<td>15%</td>
<td>12%</td>
<td>1%</td>
<td>8%</td>
</tr>
<tr>
<td>Interest margin (end of period, market average), %</td>
<td>5.5%</td>
<td>4.5%</td>
<td>5.1%</td>
<td>4.4%</td>
</tr>
</tbody>
</table>

1 Base-case scenario
2 Ukraine, Belarus, Kazakhstan.
3 Austria, the Czech Republic, Slovakia, Hungary, Serbia, Croatia, Slovenia, Bosnia
Key factors supporting market growth in Russia

1. **Base-case scenario**
2. **Source:** World Bank

### M2 growth forecast, %
- **2013E:** 14.3
- **2018E:** 9.7
  - **2018E CAGR:** +12%

### Nominal GDP, RUB trln
- **2013E:** 66.8
- **2018E:** 99
  - **2018E CAGR:** +8%

### Market Assets, RUB trln
- **2013E:** 56.3
- **2018E:** 97.5
  - **2018E CAGR:** +15%

### Sberbank Assets, RUB trln
- **2013E:**
- **2018E:** X 2
  - **2018E CAGR:** +15%

**Key points:**
- Russian banking system to outpace the GDP growth
- Deposit taking and lending would be more balanced resulting in stability of the system

**Sberbank to gain market share in all markets by increasing**
- Cross-sell
- Client penetration
- Development of new products

---

1. Base-case scenario
2. Source: World Bank

---

**Sberbank Strategy Day**

14 November 2013
Margin pressure to be offset by positive mix effect

Margin pressure driven by…

- Lower inflation and interest rates
- Lower demand for credit
- Increased competition
- Greater capital market access
- Disintermediation

Margins and profitability sustained by…

- Shift towards retail lending: to reach 34% of total loans by 2018 vs. current 27%
- Retail business: faster growth in credit cards and high-margin products; mortgages keep strong margin
- Corporate business: faster growth in SME vs. lending to large companies
- Positive mix in funding structure: targeting faster growth in current accounts vs. term
- Non-interest income growth (25-27% of operating income before provisions in 2018)

Base-case scenario

Sberbank Strategy Day 14 November 2013
Key changes in technology and client behavior

Global trends significantly influence clients ….

“Always online”
— Continuous innovation in hardware
— Personal devices give 24/7 online access with tons of available information

Social networks
— Growth of connectivity between people
— Integration of geolocation services

Demographic changes
— Generations Y and Z will soon determine social preferences and behavior

Retail and small corporate clients’ by 2018 will:
— Expect real time, immediate service 24/7
— Require personalized services and relationships
— Make decisions irrationally due to information overload
— Trust opinions of their peers
— Like gamification of services

Corporate clients by 2018 will:
— Expect integration of basic products into automatic processes and providing a full range of services in the online mode
— Become more professional however challenged by information overload therefore expect strategic partner/advisor instead of supplier
— Require direct access to capital markets
— Through presence and partnerships, require corporate banking to be more global

... making them change behavior and preferences
**Sources of banking industry disruptions**

**Next generations payments**
- Simpler, more convenient and cheaper new interfaces
- Large companies from adjacent businesses (i.e. telcos) and disruptive startups (i.e. PayPal) compete with banks providing services directly to customers

**Banking information aggregation**
- Aggregating all banking information and making it instantly accessible by the client
- Comparative analytics on products in the market and best offers from other banks

**New service model**
- Fully digital service model via direct banks
- Independent banks working only through remote channels
- Online "shell banks", which use the products of traditional banks as whitelabel

**Risk disintermediation**
- Unleash the power of social media to rethink business
- P2P and crowd funding communities revolutionizing the risk intermediation
Addressing key strategic challenges in technology and customer behavior

- Already a clear market leader in on-line (8 mln), mobile (13 mln), and social (close to 2 mln strong)
- Significant investment planned into cutting edge customer facing and back-end capability
- Branchless banking as a key target by 2018

- Unrivaled access to customer information
  - 110+ mln total / 65+ mln active clients
  - Leading market share in both lending and transactions
  - 20 mln payroll and 22 mln pension/social clients
- 15 petabytes of data growing rapidly

- Dedicated innovation and R&D units
- Set to create “fully-digital” standalone subsidiaries in CEE and Russia
- Focused drive to embed Sberbank into key digital ecosystems

- Workflow and “lifeflow” integration
- Holistic view of customer needs
- Target 100% share of mind/wallet
- Focus on intuitive ease and rich functionality of the user experience
Addressing core strategic challenges – regulation and capital pressure

Capital pressure driven by…

— Global uncertainty over capital adequacy buffers and on timing of their introduction

— Local Regulator (CBR) – no clarity on Basel 2 advanced approach introduction

— CBR – no clarity on capital adequacy buffers and timing

— CBR – capital adequacy requirements usually more stringent than Basel requirements

Sberbank capital strengths

— Sberbank is already compliant with the local capital adequacy requirements (introduced from 2014)

— Expect strong profitability resulting in organic capital generation

— Likely to benefit from Basel II AIRB implementation

— Credit policy to support favorable RWA composition

— Opportunities to support capital structure by subordinated debt instruments
Cost optimization agenda

<table>
<thead>
<tr>
<th>Cost categories</th>
<th>2018 cost savings aspiration (RUB bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Headcount</td>
<td>~65</td>
</tr>
<tr>
<td>Procurement</td>
<td>~23</td>
</tr>
<tr>
<td>IT categories optimization</td>
<td>~10</td>
</tr>
<tr>
<td>Branch reformatting</td>
<td>~6</td>
</tr>
<tr>
<td>Total 2018 OPEX reduction</td>
<td>&gt; 100</td>
</tr>
</tbody>
</table>

Base-case scenario
## Agenda

1. Sberbank: robust growth aspirations against a backdrop of solid delivery of results

2. Clear plan in place to address market and strategic challenges

3. Five core strategy themes to support growth and profitability agenda

4. Growth, profitability and innovation in all key business lines

5. Excellence in technology, support and operations

6. Ambitious financial targets for 2018
Core strategy themes – with the customer for life

- Surpassing expectations
- Digital and multichannel
- Segments and tailored offers
- Products and bundles
- 360 cross-selling
- Data and Analytics
- Digital ecosystems
With the customer for life - embracing the digital world
Core strategy themes – team and culture

- Enhancing the culture
- Growing customer service capabilities
- Redefining the standard for management
- Next-generation HR processes
- A Sberbank for different generations and lifestyles
- Becoming an international organization
Core strategy themes – technology breakthrough

- Centralized and modular application architecture
- Modern and reliable infrastructure
- Superior technology operating model
- Technology-enabled innovation
- Cybersecurity
- Big data and analytics
Technology transformation – target core banking architecture

### As is

<table>
<thead>
<tr>
<th>Channels</th>
<th>Middle-Office</th>
<th>Product factories</th>
<th>General ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td></td>
<td>Retail</td>
<td></td>
</tr>
<tr>
<td>Risk</td>
<td></td>
<td>Retail credits</td>
<td></td>
</tr>
<tr>
<td>Corporate</td>
<td></td>
<td>Corporate</td>
<td></td>
</tr>
<tr>
<td>CRM</td>
<td></td>
<td>Corporate credits</td>
<td></td>
</tr>
</tbody>
</table>

### To be

<table>
<thead>
<tr>
<th>Channels</th>
<th>Middle office</th>
<th>Product factories</th>
<th>General ledger</th>
</tr>
</thead>
<tbody>
<tr>
<td>UFC</td>
<td>CRM)</td>
<td>Current account</td>
<td>General ledger</td>
</tr>
<tr>
<td></td>
<td>Risk</td>
<td>Deposits</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Credits</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cards</td>
<td></td>
</tr>
</tbody>
</table>

- **System implemented**
- **System in process to be implemented**
- **System to be developed**
3

Financial Excellence

- Granular financial performance measurement and accountability
- Superior cost management system and spend optimization across all categories
- RAROC-based risk/return optimization as a basis for decisions and capital allocation
- Will evaluate outsourcing of non-core functions
3

Mature organization

- MIS and data architecture
- Organization and governance
- Sberbank Production System
- Project management
- Synergies across the group
- End to end process management
- Partnerships and JVs
- Corporate Governance
- CSR
## Agenda

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1</strong></td>
<td>Sberbank: robust growth aspirations against a backdrop of solid delivery of results</td>
</tr>
<tr>
<td><strong>2</strong></td>
<td>Clear plan in place to address market and strategic challenges</td>
</tr>
<tr>
<td><strong>3</strong></td>
<td>Five core strategy themes to support growth and profitability agenda</td>
</tr>
<tr>
<td><strong>4</strong></td>
<td>Growth, profitability and innovation in all key business lines</td>
</tr>
<tr>
<td><strong>5</strong></td>
<td>Excellence in technology, support and operations</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>Ambitious financial targets for 2018</td>
</tr>
</tbody>
</table>
## Major levers

### Market Growth
- Russian loan and deposit markets to slow down but growth is set to remain strongly double digit

### Competitive position
- Leader in key mass client acquisition channels: payroll and social payments
- Lending market share to be boosted by credit cards overdrafts, debt consolidation and home equity
- Deposit share: focus on regular/recurring savings products
- Holistic relationship focus and cross-selling: products per customer to increase substantially
- Renewed focus on high-potential segments (e.g., affluent, youth)

### Non-interest income
- Focus on cashless transactions: direct debit and digital payment solutions
- Acquiring infrastructure boost
- Massive push for insurance, investments, and pensions (x4-5 increase vs. 2013)

## Targets for 2018

### Growth
- Operating income before provisions will grow x1.7-2.0
- Products per customer will increase by 70%
- CAGR in Russian loans portfolio 18%
- 30% of clients to switch to “everyday banking bundle”
Retail banking highlights (continued)

**Profitability**
- Margins preserved through strong mix effects in both lending and deposits
- Cost of risk will remain below market average through effective fraud prevention, underwriting, and recoveries
- Costs reduction through network optimization and ongoing productivity improvement

**Innovation**
- Big data and analytics to drive predictive behavior models, cross-sell and retention
- Beyond banking – shaping ecosystems around customer needs in the new digital economy

**Targets for 2018**
- Operating income before provisions per employee will increase x2
- Net F&C income to grow x2+
- C/I to decrease by more than 10%
- Digital/mobile/social ~90% of transactions and 30% of sales to happen without branch contact

Base-case scenario
**Wealth management highlights**

<table>
<thead>
<tr>
<th>Major levers</th>
<th>Targets for 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Growth</strong></td>
<td>— Underdeveloped and underpenetrated markets.</td>
</tr>
<tr>
<td></td>
<td>— Well-positioned to shape the market to our advantage</td>
</tr>
<tr>
<td></td>
<td>— Strong track record of successful execution and business building</td>
</tr>
<tr>
<td><strong>Profitability</strong></td>
<td>— Rich margins &amp; very competitive prices</td>
</tr>
<tr>
<td></td>
<td>— Full transparency for fair selling practices and client protection</td>
</tr>
<tr>
<td></td>
<td>— Will manufacture only profitable products (e.g. no motor insurance for now)</td>
</tr>
<tr>
<td></td>
<td>— Full product set will be offered through agent model</td>
</tr>
<tr>
<td><strong>Innovation</strong></td>
<td>— Digital/mobile/social platforms both on an integrated basis with the bank and stand-alone</td>
</tr>
<tr>
<td></td>
<td>— First to create an integrated financial services offering</td>
</tr>
<tr>
<td></td>
<td>— Product leadership in insurance and investments</td>
</tr>
<tr>
<td></td>
<td>— Market shares</td>
</tr>
<tr>
<td></td>
<td>— 40-50% - life insurance</td>
</tr>
<tr>
<td></td>
<td>— up to 10% - retail P&amp;C</td>
</tr>
<tr>
<td></td>
<td>— 25% - retail mutual funds</td>
</tr>
<tr>
<td></td>
<td>— Over RUB100 bn P&amp;L contribution*</td>
</tr>
<tr>
<td></td>
<td>— Sberbank as catalyst for market growth</td>
</tr>
</tbody>
</table>

*Sannual by 2018: Base-case scenario*
### Major levers

#### Market Growth
- Overall market growth to continue in the low teens

#### Competitive position
- Holistic client view, focus on maximizing the potential of each client and profitable cross-selling
- **CIB**: to increase wallet share, cross-sell, focus on non-credit products
- **Mid corporate**: Significant opportunity to increase market share in lending and fee-based products
- **SME**: to increase number of clients/coverage (less than 30% of companies with turnover <USD 2 mn are Sberbank clients)
- Further cross-sell synergies between corporate and retail businesses

#### Non-interest income
- Additional revenue streams through IBGM, insurance products and trade finance
- Significant opportunity to grow CIB business in Turkey and CEE

#### Profitability
- Control over risk costs through superior underwriting and workout
- Plans to reduce the corporate network

### Targets for 2018

- **SME**: product per client to grow x1.4-1.5
- **Share of wallet growth**:
  - **SME**: +10-12%
  - **Large**: +10-12%
  - **CIB**: +3-5%
- **Operating income before provisions**:
  - **SME**: to grow x2.0-2.5
  - **Large**: to grow x2.0-2.5
  - **CIB**: to grow x1.6-1.8
- **Net commission income**: x2
- **Number of dedicated corporate branches reduction by 25%**
## Corporate banking highlights (continued)

### Major levers

<table>
<thead>
<tr>
<th>Profitability</th>
<th>Targets for 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Margin-supportive asset mix</td>
<td>- Operating income before provisions:</td>
</tr>
<tr>
<td>- Ongoing productivity improvement</td>
<td>- SME: to grow x2-2.5</td>
</tr>
<tr>
<td></td>
<td>- Large: to grow x2-2.5</td>
</tr>
<tr>
<td></td>
<td>- CIB: x1.6-1.8</td>
</tr>
<tr>
<td></td>
<td>- Productivity growth at least 10%pa</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Innovation</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Market leading client coverage capabilities and product expertise</td>
</tr>
<tr>
<td>- Will further build out credit and risk management capabilities and develop industry-specific products</td>
</tr>
<tr>
<td>- Leading digital platform, completely revamped payments infrastructure</td>
</tr>
<tr>
<td>- Integrated personal/business view for small business clients</td>
</tr>
<tr>
<td>- Suite of dedicated small business/start-up products</td>
</tr>
<tr>
<td>- “Business environment” – a small business social network set up and managed by Sberbank</td>
</tr>
<tr>
<td>- Client education and capability building as part of the Sberbank value proposition</td>
</tr>
</tbody>
</table>

### Targets for 2018

- Operating income before provisions:
  - SME: to grow x2-2.5
  - Large: to grow x2-2.5
  - CIB: x1.6-1.8
- Productivity growth at least 10%pa

- For SME digital/mobile/social
  - 90% of transactions
  - 40% of sales

Base-case scenario
International business highlights

### Business highlights

**Turkey**
- Development of retail, SME and agricultural business
- Opportunities for CIB business
- In line with the market until 2015, possible faster growth after

**CEE**
- Corporate model focusing on cross-border business
- Retail model focusing on Digital Banking platform
- Priority countries – Czech Republic and Slovakia

**CIS**
- Organic growth in the countries of operation
- Payment of dividends in Belarus and Kazakhstan
- No entry in other markets of the CIS

### Target 2018

- ROE 13-15%
- Growth to 5%
- Large size of CIB market

- ROE 15-17%
- Double growth to 3.6%
- Growth in the Czech Republic and Slovakia

- ROE 15-20%
- Organic growth of share in Ukraine and Kazakhstan, consolidation of business in Belarus
International business highlights (continued)

Profitability, %
- ROE 2018: 14-16%

Efficiency, %
- Cost / Income ratio 2018: 45-48%
- Cost / Assets ratio 2018: < 2.5

Growth
- Assets 2018 / 2013: X 2.5
- Net profit 2018 / 2013: X 2.5-3.0

Base-case scenario
## Agenda

1. **Sberbank: robust growth aspirations against a backdrop of solid delivery of results**
2. **Clear plan in place to address market and strategic challenges**
3. **Five core strategy themes to support growth and profitability agenda**
4. **Growth, profitability and innovation in all key business lines**
5. **Excellence in technology, support and operations**
6. **Ambitious financial targets for 2018**
Operational Excellence

Operations

Number of Employees in working in FTE:

- **2008**: FTE 51 th, 800 locations
- **2013**: FTE 24 th, 15 locations
- **2018 Target**: FTE <15 th, 6 locations

FTE – full time equivalent
Redefining procurement

Renewed cost-management approach: IT example

1. Develop state-of-the-art procurement governance infrastructure & IT procurement process
2. Reduce number of vendors from 260 (currently) to 70 (target)
3. Reduce cost by 20-30% conducting direct contracts with the vendors
4. Establish strategic partnership platform with Top-20 vendors:
   - Customized solutions
   - Efficiency gain by up to 25-30%
   - Synergy across the Sberbank Group
   - Increase go-to-market speed
   - Joint go-to-market solutions
5. Strategic sourcing (make/buy solutions)
6. Look at architect and procurement solutions as one
IT Transformation Framework:

- Effectiveness
- Simplicity
- Focus
- Discipline
- People

Main areas of IT Transformation:

- ABS centralization
- Reliability of systems
- Applications and IT architecture
- Target IT process model
- Innovations: digital/mobile/social

Program example – “99.99 reliability of automated systems”

Processing: increase in number of transactions per second

- 2012
- 2013
- 2014
- 2015
- 2016

x3.3
Optimizing real estate

Sberbank Real Estate

- Number of buildings: 12,000
- Area (sq.m.): 5.4 mln
- Owned: 12,000
- Rented: 11,300
- Rent Area: 1.2 mln

RE portfolio decrease by 1 mln sq.m. over next 3 years

Number of Employees (ths) vs. Fair Value of Real Estate Premises / Assets (%)

- ICBC
- HSBC
- JP Morgan
- Banco Santander
- Itau
- Unibanco
- Sberbank
<table>
<thead>
<tr>
<th></th>
<th>Agenda</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Sberbank: robust growth aspirations against a backdrop of solid delivery of results</td>
</tr>
<tr>
<td>2</td>
<td>Clear plan in place to address market and strategic challenges</td>
</tr>
<tr>
<td>3</td>
<td>Five core strategy themes to support growth and profitability agenda</td>
</tr>
<tr>
<td>4</td>
<td>Growth, profitability and innovation in all key business lines</td>
</tr>
<tr>
<td>5</td>
<td>Excellence in technology, support and operations</td>
</tr>
<tr>
<td>6</td>
<td>Ambitious financial targets for 2018</td>
</tr>
</tbody>
</table>
Financial Highlights

ROE
18-20%

Net profit
~ 370 bln

2013E
2018E

Equity
~ 1.8-1.9 trln

2013E
2018E

2x

F&C
2.5x +

2013E
2018E

NII
+75%

2013E
2018E

NIM
> 4.5%

2013E
2018E

Assets growth

2x +

2013E
2018E

OpEx
Positive jaws

2013E
2018E

~ 110bp

CoR
~ 120-140bp

2013E
2018E

~ 5.8-5.9%

2013E
2018E

Base-case scenario
Financial Highlights

Margin

Despite inflation contraction, Sberbank was able to sustain loan yields and preserve margin.

Growing share of F&C income to compensate for compressing margins.

Asset mix will be shifting towards retail lending and higher marginal corporate lending.

Our conservative estimate of margin decline over the next 5 years is 100 to 130 bps.

2013 and 2018 are Best case scenario estimates

* F&C income includes results from insurance and WM businesses
Financial Highlights

Costs

- Cost to Income_2018_ 40-43%
- Cost to Assets_2018_<2.5%

- More than double growth of net profit per employee
- OPEX growth not to exceed 13-16% p.a. in 2014-2018

Share of staff cost in OPEX

- 2013E: 60%
- 2018E: 58%
- 2018E: <50%

Cost to Income

2013E: -6-8 p.p.
2018E: -0.5-1 p.p.

Cost to assets

2013E: -6-8 p.p.
2018E: -0.5-1 p.p.

Base-case scenario
Financial Highlights

Assets & Liabilities

Share of current accounts in total client funds

Targeted asset mix & funding structure to protect our margin

Loan portfolio

Base-case scenario
*Sberbank Standalone

Sberbank Strategy Day 14 November 2013
Financial Targets

Capital

The Group capital structure

<table>
<thead>
<tr>
<th></th>
<th>2013E</th>
<th>2018E</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core Tier 1</td>
<td>&gt;10%</td>
<td>&gt;10%</td>
</tr>
<tr>
<td>Tier 2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- Basel II standardized approach implementation with Basic Indicator approach for operational risk: Negative
- Credit Risk Mitigation approach implementation: Positive
- Standardized Approach for operational risk implementation: Positive
- Advanced IRB for credit risk implementation: Positive
- Internal models approach for market risk implementation: Positive
- Advanced Measurement Approaches for operational risk implementation: Positive

Base-case scenario
We sincerely believe in Sberbank’s mission and are inspired by it

Our next 5 years will be challenging but also will be exciting and very rewarding

We invite you to join us for the journey
Thank You

Q&A