

Message from CEO and Chairman of the Executive Board



Dear shareholders, customers and partners

The year 2012 is noted as the year of challenges for the financial sector — both in Russia and abroad, — which made Sberbank's 2012 achievements and financial results far more notable and distinguished.

Last year was a record year of generating earnings for Sberbank — net profit under IFRS reached 347.9 bln RUB. Sberbank achieved outstanding ROAE of 24.2% and ROAA of 2.7% despite turbulent market conditions. Remarkably Sberbank maintains its number one position delivering the highest ROAE and ROAA among the top 20 largest world banks by market capitalization second year in a row. Furthermore, we are the ninth by net profit and number ten by cost/income ratio. These results are achieved at the important stage of intensive investments into the Bank's modernization that we believe would lead to a significant transformation of the Bank.

Sberbank's SPO was clearly one of the key events of the past year. It was the largest privatization deal in Russia, the largest secondary placement in EMEA in 2011–2012, and one of the largest public offerings in 2012 globally. The global demand was represented by more than 300 institutional investors with orderbook oversubscribed several times. The transaction was executed in highly concentrated timeframe. As a result, the Central Bank of Russia raised US\$ 5.208 billion from the deal.

We are grateful to our investors for their trust and loyalty! We will continue to transform the Bank into a modern technologically sophisticated institution that would create value for our shareholders.

Last year can be described as the year of the strategic play on the international arena: in February we finalized the acquisition of Volksbank International, and in September — of DenizBank in Turkey, which was the largest acquisition in the history of Sberbank. Sberbank Group's presence nowadays expands into 20 countries, we have over 1300 branches abroad; the share of the Group's foreign assets reached 14.5% at the end of 2012.

Another accomplishment that I would like to mention is the diversification of our product lines, both for our corporate and retail clients. In January we completed the acquisition of Troika Dialog, now well-known as Sberbank Corporate & Investment Banking (CIB). This allows us to complete the full spectrum of our product offering for corporate clients. In retail banking we reached new levels of remote channel

services for retail clients, which gives us a triple benefit effect: convenience for clients, reduction in customer servicing costs and freeing up of front-office managers' time for a more valuable time allocation. We also entered the Point of Sale consumer lending market in Russia under the Cetelem brand.

Our major achievements of 2012 include further transformation of risk management systems, reformatting of the branch network, technological modernization and changes in our organizational structure.

We believe that our current achievements are just the beginning in our drive to transform the Bank, and we are currently developing our next five and ten-year Strategy. Key priorities would be client services, increase in efficiency of operations, innovation management, and adoption of world-class technologies.