

Compliance

Compliance understood as conformity of the bank activities with the legislation, standards of self-regulatory organizations and ethical business practices is currently an important factor of confidence building towards financial institutions and the indicator of their legal maturity. Sberbank builds the compliance-risk management system in such directions, as:

- prevention of mismanagement and corruptive delinquencies;
- prevention and resolution of conflicts of interest, arising in the process of the bank activities;
- combating money laundering and terrorist financing;
- observance of license and other regulatory requirements in the sphere of financial markets;
- ensuring market behavior and the fair competition at commission of transactions in financial markets, prevention of abusive practices in financial markets (use of insider information, a manipulation the prices and others);
- observance of economic sanctions and restrictions imposed by the Russian Federation, as well as international organizations and the certain states;
- assurance of customer rights, including investment activities.

The bank seeks to develop compliance-culture as part of the corporate culture and sets itself the objective to achieve observance of compliance requirements by all employees.

Sberbank actively applies the best practices on prevention of the insider information use and market manipulation, among others the bank approved and posted to its web-site the list of the insider information, imposes restrictions on securities transactions by the bank and its subsidiaries and associated companies. The bank created the relevant legal framework for managing conflicts of interest issues, including at transactions with interest; regulated mechanisms of decision-making and behavior standards of the bank's employees.

Unfortunately, in 2012 we faced again the corruption facts among the staff of the bank — 4 people were arrested on commercial bribery charge. It is collaboration of law-enforcement authorities and the bank security service. Further we plan to toughen the measures aimed at counteracting corruption. In 2013, we plan to develop and adopt the bank internal policy in the sphere of counteracting corruption.

The bank also pays special attention to counteracting the legitimization of the proceeds of crime (money laundering) and the financing of terrorism (AML/FT).

The measures taken in 2012 and allowing to make this work more effective, included:

- special training seminar with participation of representatives of profile federal departments and the Bank of Russia which was attended by about 300

managers and employees of financial monitoring subdivisions;

- development of a specialized multimedia training course on CML/FT to enable distant learning of the bank staff;
- automation of a number of core processes allowing to fulfill requirements of the federal legislation effectively;
- updating of internal methodological recommendations for all subdivisions of the bank submitted on identification of transactions which are subject to mandatory monitoring, and transactions concerning which there are suspicions that they are carried out for legalization (laundering) of income gained by a criminal way, or terrorism financing.