



Address

of the Chairman of the Supervisory Board Sergey Ignatiev

**DEAR SHAREHOLDERS,
LADIES AND GENTLEMEN,**

Over 2010 Russia's banking sector demonstrated a steady recovery from the global financial crisis. This was a very positive trend, exemplified by Russian banks' profits more than doubling versus 2009. Lending activity also increased, including the extension of mortgages.

Sberbank makes an important contribution to advancing the domestic banking sector by pursuing a responsible policy toward its customers.

I am confident that the new employee motivation system and the increased quality and availability of services for corporate and individual customers will promote the successful development of Sberbank of Russia and the stability of the banking sector as a whole.

Sergey Ignatiev

Chairman of the Bank of Russia,
Chairman of the Supervisory Board
of Sberbank of Russia



The shortest expression
of the meaning of life is this:
the world moves, perfects itself.

The task of man is to TAKE PART
in this movement, to submit
himself to it and
TO HELP IT.

Leo Tolstoy



Sberbank's
Environmental Team
together with Sochi's
residents planted an alley
of 14 magnolias



"Everything is changing at my favourite bank,
and I am part of these changes. I am changing
too, becoming more skilled, more competent
and increasingly valued by people, clients and
everybody around me."

Zainab Sherieva,
Loan Officer





DRIVE TOWARDS EXCELLENCE

MISSION STATEMENT	4
BANK PROFILE	7
ADDRESS OF THE CHAIRMAN OF THE SUPERVISORY BOARD SERGEY IGNATIEV	15

ADDRESS OF THE CEO AND CHAIRMAN OF THE MANAGEMENT BOARD HERMAN GREF

MANAGEMENT REPORT	24
CORPORATE GOVERNANCE	98
CONTACTS AND PAYMENT DETAILS	114

By your side



Address

of the CEO and Chairman of the Management Board Herman Gref

DEAR SHAREHOLDERS, CLIENTS AND PARTNERS,

The 2010 market environment was more favourable than in 2009 — both for Sberbank and for the Russian financial sector as a whole. The economy continued to recover from the most acute phase of the recession; consumer demand picked up, with capital investment also on the rise at the end of the year. The sectors that suffered most from the downturn — above all, manufacturing — achieved high growth rates. Against this backdrop, the bad-debt crisis entered its final phase, accompanied by increased demand for credit facilities (including bonds) by businesses and individuals. As a result, the banking sector's assets saw annual growth of almost 15%.

As external conditions stabilised and improved, our business benefited. In 2010, processes were introduced and developed to lay the foundation for Sberbank's new business model, designed to boost performance indicators by means of economic efficiency. As a result, the Bank achieved major successes in 2010, and a number of these are undoubtedly breakthroughs for the Russian financial system.

In my view, the ten key results achieved in Sberbank's operations for 2010 are as follows.

1. Record profit. The Bank recorded a profit of 181.6 billion roubles in 2010 in accordance with International Financial Reporting Standards (IFRS).

2. Growth in capitalisation. Of the world's thirty-largest banks by capitalisation, Sberbank was among the top-three in terms of stock-value growth in 2010.
3. Launch of the first Russian depositary receipt programme — RDR UC RUSAL. UC RUSAL was the first company to set up a Russian Depositary Receipt programme. Sberbank acted as the issuing depository and as UC RUSAL's advisor on this landmark programme.
4. Organisation of the first bond placement by a foreign borrower on the Russian capital market. The Republic of Belarus issued rouble bonds with Sberbank as arranger — these were the first rouble bonds issued by Belarus on the Russian capital market.
5. Automation and standardisation of the retail lending process: migration of all personal loans, with the exception of mortgages, to Credit Factory. Cancellation of all commissions on retail lending. In 2010 some two million loans were extended via Credit Factory. The approval level is over 65%, and less than 0.1% of loans are 90 days or more overdue. Sberbank was the first bank on the Russian market to cancel commissions on personal loans.
6. Back-office centralisation: the opening of two new customer support centres. In 2010 customer support centres were opened in Perm and Krasnoyarsk. Sberbank's back-office centralisation programme has been described as unprecedented in terms of scale and transformation pace.
7. Increased speed of customer service. Today the average waiting time for a caller to Sberbank's contact centre is 25 seconds. The maximum turnaround time for consumer and car loan applications has been reduced from seven to two days.
8. Our 50-millionth bank card. With 50 million bank cards in circulation, Sberbank is the number-one issuer of bank cards in Europe.
9. Development of remote services. Over 55% of customer transactions can now be completed remotely.

10. Creation of an employee social security system that is unique in Russia. All Bank employees are insured against injury and serious illness. A voluntary health insurance programme was introduced on a matching-contribution basis, as well as a system of periodic medical examinations.

In addition to launching unique social programmes, Sberbank developed a new employee motivation system based on three core principles: remuneration should be competitive in each region, the compensation plan should be transparent, and employees should be able to influence their income.

I would also like to note Sberbank's 2010 successes from the perspective of the employee: the bank has succeeded in the fulfilment of its mission to create a harmonious and happy atmosphere for employees. Additionally, favourable conditions were created for employee self-development: seminars on modern management technologies were held with world-renowned experts, and over 165,000 people took part in training programmes at Sberbank's corporate university. The creation of a happy working environment with room for growth and development is a key factor not only for personal success and but also for the success of the organisation as a whole.

In 2011 Sberbank will celebrate its 170th birthday. I believe that this occasion gives Sberbank a special responsibility to its shareholders, clients and partners. I am confident that the Bank will meet your expectations.

Our goal remains unchanged. According to Sberbank's Development Strategy to 2014, the Bank will continue to form the foundation of the Russian banking system and consolidate its position as one of the world's leading financial institutions.

In conclusion, we would like to express our sincerest gratitude to you, our shareholders, clients and colleagues, for your confidence and support.

Herman Gref,

CEO and Chairman
of the Management Board
of Sberbank of Russia

