



SBERBANK

By your side

| SBERBANK'S DEVELOPMENT STRATEGY

| Second Year Overview: Going the Distance

| December 2010

- This presentation has been prepared by Sberbank (Sberbank of Russia (the “Bank”). This presentation does not constitute or form part or all of, and should not be construed as, any offer of, or any invitation to sell or issue, or any solicitation of any offer to purchase, subscribe for, underwrite or otherwise acquire, or a recommendation regarding, any shares or other securities representing shares in, or any other securities of the Bank, or any member of the Bank’s group, nor shall it or any part of it nor the fact of its presentation or distribution form the basis of, or be relied on in connection with, any contract or any commitment whatsoever or any investment decision.
- The information in this presentation or in oral statements of the management of the Bank may include forward-looking statements. Forward-looking statements include all matters that are not historical facts, statements regarding the Bank's intentions, beliefs or current expectations concerning, among other things, the Bank's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industry in which the Bank operates. By their nature, forward-looking statements involve risks and uncertainties, because they relate to events and depend on circumstances that may or may not occur in the future. The Bank cautions you that forward-looking statements are not guarantees of future performance and that its actual results of operations, financial condition and liquidity and the development of the industry in which the Bank operates may differ materially from those made in or suggested by the forward-looking statements contained in this presentation or in oral statements of the management of the Bank. In addition, even if the Bank's results of operations, financial condition and liquidity and the development of the industry in which the Bank operates are consistent with forward-looking statements contained in this presentation or made in oral statements, those results or developments may not be indicative of results or developments in future periods.
- The information and opinions contained in this presentation or in oral statements of the management of the Bank are provided as at the date of this presentation and are subject to change without notice.

Sberbank's mid-term equity story: a unique position in one of the most attractive high-growth markets in the world

Growth and size

- Banking revenue annual growth rates till 2014 are forecast at 15%;
- By 2014, volume of banking assets will reach 70-80% of GDP; even at this level it is still lower than many benchmarks (evidence of further growth potential)

High profitability

- In terms of historical RoE-CoE ratio Russian market is comparable to the most attractive developed markets and surpasses almost all large fast growing markets

Favourable industry structure

- Low asset concentration – 5 largest banks account for a little more than 50% of assets (versus 60% and more in most countries);
- A large number of medium-size and small players together control between 20% to 30% of many banking products
- Inevitable process of consolidation is being accelerated by the financial crisis

Huge growth potential for Sberbank as a leader of the Russian banking system

VALID

Our goals and aspirations by the year 2014 remain unchanged

Market position

- Substantial strengthening of the bank's competitive position in majority of products
- Maintain position in the retail deposits market
- Target share of banking system assets is 25%-30%

Financial targets

- After-tax profit to increase 2,5-3 fold vs. 2007
- Cost-income ratio to decrease from 46% to 40% (Russian Accounting Standards)
 - ROE > 20%
 - Headcount of 200,000-220,000

Sberbank in 2014 is a solid foundation of the Russian banking system, one of leading global financial institutions

Qualitative indicators

- Leading skills and capabilities in the market (account management, risks, SPS*, performance)
- Strong corporate culture
- Highly qualified employees
- Effective and reliable systems and processes
- Strong brand and loyal customers

International markets

- ~ 5% of net income to come from international operations
- Build foothold in Chinese and Indian markets
- Target market share of 5% or more in Ukraine, Kazakhstan and Belarus

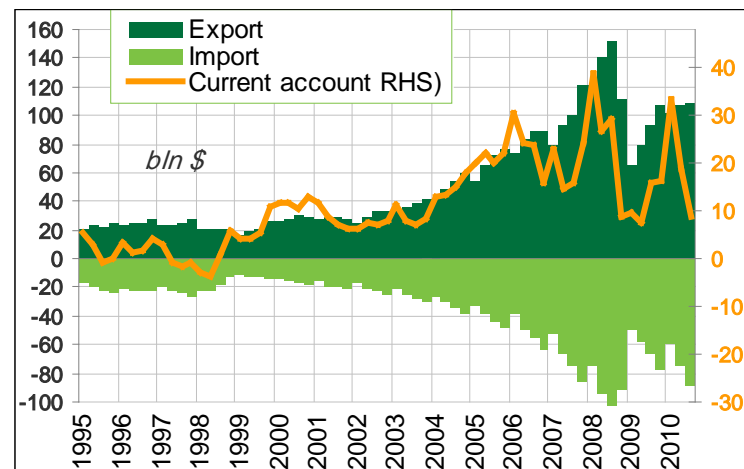
* SPS - Sberbank Production System



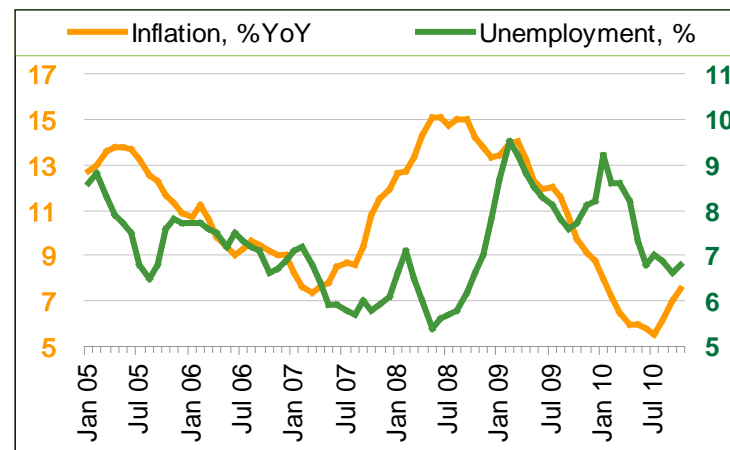
	Fact	Baseline scenario			
	2009	2010	2011	2012	2013
Assumptions					
URALS oil, \$/bbl	61	76	75	83	86
International trade volume growth, %	-11.8	7.4	6.1	6.5	6.5
\$/euro exchange rate	1.4	1.33	1.35	1.35	1.35
Capital inflows. bln \$	-52.4	-22	9	20	28
CMEI forecast					
Real GDP growth, %	-7.9	3.7	3.7	4.4	4.2
Nominal GDP, trln. rub.	39.1	45.1	49.3	56.9	65.3
Inflation, %	8.8	8.5	8.0	7.6	7.5
\$/ruble exchange rate, year avg.	31.8	30.4	30.6	30.3	31.2
Bicurrency basket, rub., year avg.	37.4	34.9	35.4	35.1	36.1
Industrial production growth, %	-10.8	8.6	4.0	3.9	3.9
Real disposable income growth, %	1.9	3.8	4.5	5.4	6.8
Unemployment, %	8.4	7.5	6.8	6.2	5.7

- In 2010 GDP is expected to grow by 3,7% and inflation is projected at 8,5%
- In 2011-2013 GDP will keep growing, although will not return to pre-crisis trend
- Inflation will keep rising in Q1 2011, some decline can be expected in H2 with lower growth of money supply.

Trade and current account



Inflation and unemployment



Second Year of Strategy Implementation – shift to a new growth model

Operating environment has been more favorable for strategy implementation in 2010 as compared to 2009

Financial crisis severity has subsided

Demand for banking services has been gradually recovering

Crisis has retarded execution of some strategy elements but rendered more precise the areas for improvement (ex.: asset quality)

Execution track has proved validity of the strategic goals

Strategy implementation in 2010 set the basis for Sberbank's new business model aimed at sustainable improvement of economic efficiency

Overview of the main activity areas within the strategy framework

ACHIEVEMENTS

OPPORTUNITIES

Retail Block

- Core product ('Basic product') - (multi-functional current account) launch in 'Moskovsky' Bank and rollout in RHOs
 - First country-wide contact center set up (Voronezh); two more call centers ready for launch
 - Migration of transactions to remote channels under way (>50% done by 3Q 2010)
 - Development of customer service models for VIP and high-value mass clients
 - New branch format roll-out under way (8 sample formats developed, 22 pilot outlets opened in 10 cities across Russia)
 - Soft launch of a new Internet bank ('Sberbank OnLine') and rollout of ATM and payment terminal network (2010 target >44,000)
 - Social card launch; implementation of 'Universal card program' for residents
 - Rebranding under way
 - Launch of service quality monitoring and management system
 - Introduction of new functions in retail outlets (consultant, hostess, sales-people)
 - Queue squeezing measures in progress
 - Cross-selling and active sales incentives introduced
 - New motivation system approved
 - Credit Insurance rolled out across the whole network
 - Soft launch of cardholders insurance (life and health insurance, fraud insurance, travel insurance) and insurance depositors (life and health insurance).
- Corporate and partner sales plans related to remote channels have not been completely realized
 - Delays in new branch format roll-out
 - Lagging on retail CRM launch schedule
 - Lack of universal loyalty program

New branch format under way: 22 pilot branches launched in 10 cities



8 standard concepts
approved

Full scale roll-out
to start in 2011

Overview of the main activity areas within the strategy framework

ACHIEVEMENTS

OPPORTUNITIES

Corporate business

- Customer business model for major corporate customer approved and implemented in the Central Head office and RHOs
- Customer –relations managers assigned to each of the major and large corporate customers
- Second-stage of corporate CRM implementation (10,000 customer records kept)
- Corporate finance department created and proved efficient
- Small-business model roll-out incl. lending products backed by 'Credit Factory' facility
- 'Customer business planning' program

- Delays in customer business models for medium and small businesses

Financial Markets

- Launch of on-line brokerage 'Quick'
- 'Cash' liquidity management introduced in Moskovsky Bank and being rolled out in RHOs
- First open mutual funds launched

Sberbank Production System

- Retail program fully launched and in rolled out in 6,311 structural units
- SPS rollout in Back office, IT, Accounting departments under way

- Delays in scheduled roll-out of process management system

Overview of the main activity areas within the strategy framework

ACHIEVEMENTS

Risk Management

- 'Credit Factory' implementation in core credit products (non-secured and secured cash loans, car loans and credit cards) and rolled out across Russia (except for 1 RHO) – more than 300,000 applications per month)
- Optimization of Credit process for large and medium-size businesses
- New credit risk models introduced (Probability of Default (PD), Loss Given Default (LGD) and Exposure at Default (EAD))
- Credit decision system re- engineered via incorporation of risk assessment tools and higher role of independent underwriter
- Transfer of more credit decision-making authority to RHOs due to enhanced interaction with the Central Head office in the Credit process
- Development of IT infrastructure of risk management system (incl. CRM, DWH, MIS)
- New system of credit limits worked out
- Operational risk management policy approved
- Introduction of bad-debt collection concept
- Launch of Enterprise Resource Planning (ERP)

OPPORTUNITIES

- 'Credit Factory' implementation for mortgage loans
- Elaboration of new credit process for SME segment
- Reduction of capital requirements due to broader application of Advanced Measurement Approach (APA)

Credit factory: key facts

Set up in 4,749 branches

Used in 85% of disbursements (as of September 2010)

Processed 2.2 mn applications

More than RUB 209 bn of new loans in 2010

Average loan amounts to RUB 148,000

69,0% of applications approved by Credit Factory

Time to decision - 1.5 days

New assets at a speed of RUB 2.1 mn per minute

Overview of the main activity areas within the strategy framework

ACHIEVEMENTS

OPPORTUNITIES

Operations Block

- Transformation of operations block across the country. New format of operation block launched at 5 RHOs.
- Temporal Shared Service Centers (SSCs) set up in Stavropol, Yekaterinburg, Nizhny Novgorod.
- Permanent SSCs opened in Perm (October) and Krasnoyarsk (November)
- 'Paper-free back and middle office' project to be soft-launched in Moscow and Sankt-Petersburg by year end
- Projects of interregional SSCs initiated; preparations for standardization and optimization of existing operations blocks under way

- Delays in development of IT solutions for 'Paper-free back and middle office'

Information Technologies

- Launch of Mega Data Processing Center project to centralize country-wide ABSs (30% accomplished)
- Centralization of back- and middle-offices in SSCs of Moscow and St. Petersburg
- Migration to a centralized IBSO system completed in Zapadno-Uralsky bank (West Ural) and Zapadno-Sibirsky bank (West Siberia).
- Development of target IT solutions on the basis of integrated corporate IT architecture
- Technology for unified social card for Russian residents (PRO100) developed and ready for deployment

- Retards in retail IT solutions development
- Construction of the Central Data Warehouse lags the schedule

Overview of the main activity areas within the strategy framework

ACHIEVEMENTS

Organization, management system and HR

- New organizational structure in the Central Head office and regional head offices ('RHOs'), branches and sub-branches
- Function and headcount optimization in management bodies
- Moskovsky Bank established and fully-operated
- New system of staff assessment and motivation launched in the Central Head office and rolled out across 'RHOs'
- Corporate University created; staff training under way across the country
- Optimization of collegiate authorities
- Consolidation of back- and middle-office functions and creation of interregional service centers under way

OPPORTUNITIES

- The system of interaction between the Central Head Office and RHOs has not been completely realized on the levels of business blocks and functions
- Restructuring of the corporate block has not been fully realized in the Central Head Office, RHOs and branches

Selected operational targets and performance metrics

	INDICATOR	CURRENT STATUS (10M 2010)	REFERENCE TARGET (BY 2014)
1 Finance and Operations	1. Net profit	1. RUB 126.2 bn (up 12% vs. 2007)	1. Growth 2-3 times vs. 2007
	2. Return on equity	2. 16.3% (19.5% annualized)	2. At least 20% per annum
	3. Share in total banking assets	3. 27.3% (as of October 1, 2010)	3. 25-30%
	4. Cost/Income (under RAS)	4. 38.6%	4. Maximum 40%
	5. Headcount	5. 237,921 (as of 9M 2010)	5. 200,000-220,000
2 Retail business	1. Products per client (depth of client relations)	1. 2.2	1. Not less than 3
	2. Share of remote channels in the structure of transactions	2. 53.8% for transactions in 3Q 2010	2. 75% for transactions
	3. Labor productivity level	3. 35% improvement	3. 50% improvement
	4. Reduced time for decision making/disbursement of funds to individuals after their loan applications (time to cash)	4. 1-3 days depending on the product (about 80% of applications)	4. 1-3 days depending on the product (80% of applications)
	5. Qualitative indicators of the client perception of the bank	5. 57% of clients are "satisfied, loyal, ready to recommend to friends"	5. 65-70% of clients are "satisfied, loyal, ready to recommend to friends"
3 Corporate business	1. Client coverage	1. >60%	1. At least 65% for large and medium businesses
	2. Time to review loan application	2. New credit process pilot project launched	2. 1.5-3 times less, varying across the segments from 2007 mark
4 Other areas	1. Consolidation of transaction processing offices (back and middle office)	1. 4 support/shared services centers put into operation	1. Consolidation to maximum 18 support/shared services centers
	2. Consolidation of IT infrastructure	2. First stage of main data center completed	2. One principal and one backup data centers
	3. Operations labor productivity (transactions/employee)	3. On track	3. 100% improvement

Top priorities for 2011

Customer business models for medium and small businesses

Corporate and partner sales plans

Optimize the internal processes

Central Data Warehouse