

ANNUAL
REPORT
2020



2020

About the Report

OUR APPROACH TO THE REPORT

This Annual Report of Sberbank of Russia¹ (hereinafter, the Report) contains information about the results of operations of Sber Group² for the reporting period from January 1, 2020 through December 31, 2020. This Report is published annually, the most recent report was released in April 2020.

This Report has been prepared in accordance with the legislation of the Russian Federation, including the following:

- Federal Law On Joint-Stock Companies No.208-ФЗ (208-FZ) dated 26 December 1995;
- Regulation of the Bank of Russia On Disclosure by Issuers of Issue-Grade Securities No. 454-П (454-P) dated 30 December 2014;
- Recommendations from the Corporate Governance Code of the Bank of Russia recommended for use by joint-stock companies by a Letter of the Bank of Russia No. 06-52/2463 dated April 10, 2014.

In addition, the content of the Report is consistent with the following documents:

- The Moscow Exchange’s requirements for preparation of annual reports by joint-stock companies
- The provisions of the ISO26000 standard
- The Sustainable Development Goals set in 2015 by the United Nations General Assembly to the extent they apply to the bank’s activities
- Global capital market regulation and requirements, including the UK Financial Services Authority’s information disclosure requirements and the London Stock Exchange Listing Rules.
- Principles of UN Global Impact

This Report has been prepared in accordance with general disclosures of the GRI Sustainability Reporting Standards (Core) to ensure the bank’s transparency and promote the practice of corporate social responsibility within the Group. In addition, the Report is prepared in accordance with the standards of the Sustainable Development Accounting Standards Board (SASB).

Furthermore, the Report reflects Sberbank’s contribution to achievement of Sustainable Development Goals adopted by a 2015 UN General Assembly Resolution, Transforming Our World: the 2030 Agenda for Sustainable Development.

BOUNDARIES OF THE REPORT

- Financial data are presented in the Report in accordance with our IFRS financial statements, unless explicitly stated otherwise.
- Operating data are presented in the Sberbank Report, unless explicitly stated otherwise
- The data on sustainable development (ESG) are consolidated along a number of major subsidiaries, affiliates and joint ventures , which have a significant social and economic impact on their regions of presence (any other calculation perimeter will be directly stated in the indicator specification):

For the subsidiary banks and companies listed on the right and acting as parent institutions for a group of companies, the Report presents information at the group level.

SUBSIDIARY BANKS

SB JSC Sberbank (Republic Kazakhstan)
BPS-Sberbank OJSC (Republic of Belarus)
Sberbank Europe AG
Sberbank JSC (Ukraine)
Cetelem Bank LLC

MAJOR SUBSIDIARIES, AFFILIATES AND JOINT VENTURES

SberLogistics LLC	KORUS Consulting CIS LLC
INSTAMART HOLDING LTD. (SberMarket)	Intercomp JSC (SberSolutions)
SberAuto LLC	Sberbank—Automated Trading System CJSC
O2O Holding LLC (DeliveryClub, Local Kitchen, Samokat, Citimobil, YouDrive)	VisionLabs B.V.
Rambler	Centre of Speech Technologies LLC
OKKO LLC	Sberbank-Telecom LLC
Zvuk LLC	DublGIS LLC
Soyuzmultfilm LLC	SberHealth LLC
Cloud Technologies LLC	SberDevices LLC
Bizone LLC	Loyalty Programmes Centre JSC
Job.ru JSC	ActiveBusinessConsult LLC
Sberbank Real Estate Centre LLC (DomClick)	Sberbank Leasing JSC
Delovaya Sreda JSC	Sberbank Factoring LLC
EVOTOR LLC	YouMoney LLC

¹ Public Joint Stock Company Sberbank of Russia (Sberbank PJSC), hereinafter referred to as SberBank or Bank

² Sberbank PJSC and its subsidiary banks and subsidiaries hereinafter jointly referred to as the Group, Sber and Sber Group

About the Report

REPORT APPROVAL

This Report has been provisionally approved by Sberbank's Supervisory Board (Minutes No. 8 dated 19/03/2021).

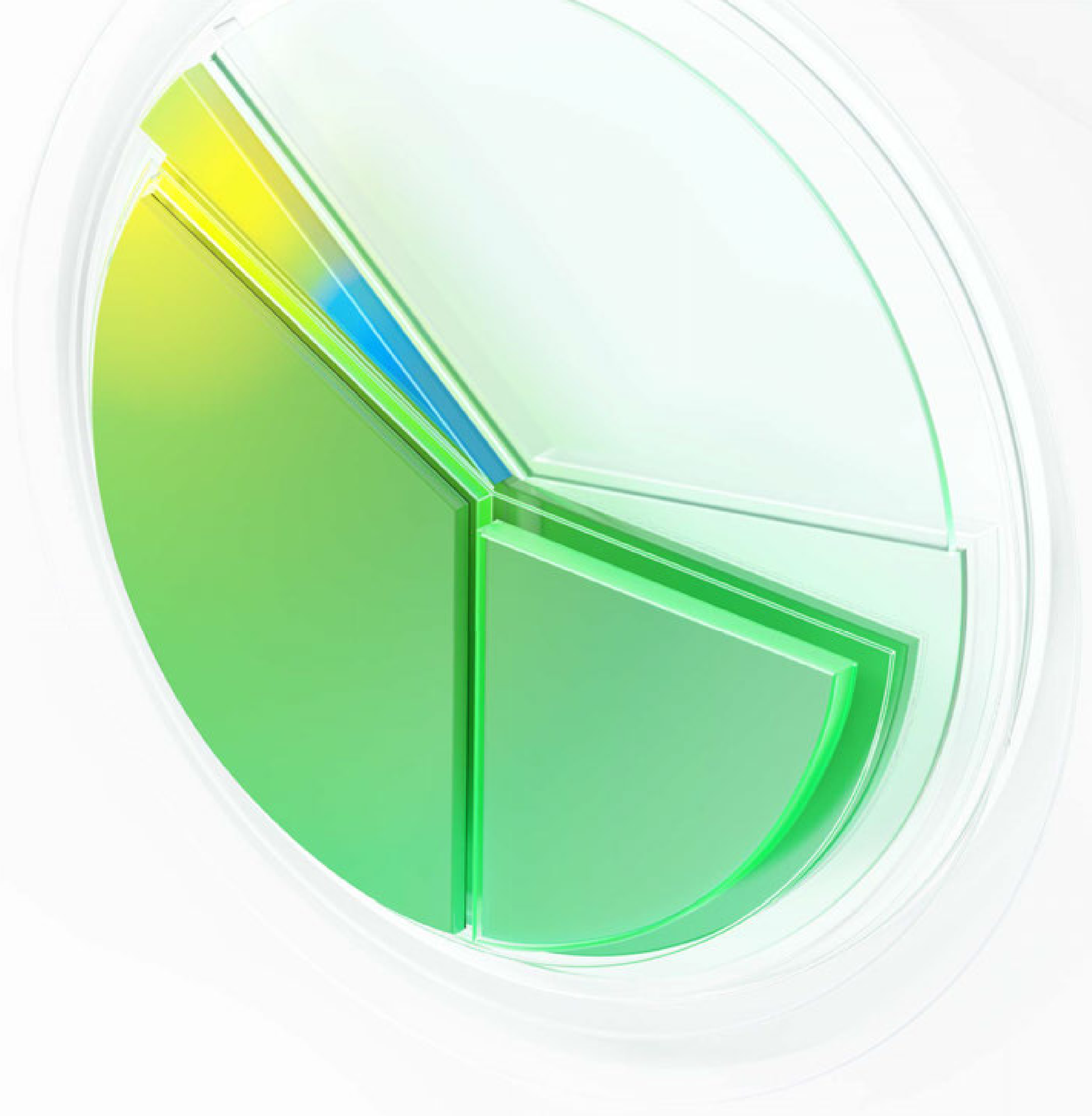
Environment, social
responsibility and long-term
investments

SUSTAINABILITY (ESG) REPORT



MANAGEMENT REPORT

Strategic report, review of key
businesses and financial
highlights, corporate governance



Management Report

Contents

1 PORTRAIT OF THE GROUP

- 7 Sber Becomes Technological Ecosystem
- 8 Rebranding
- 9 2020 Guidance Completed
- 10 Key Financial Highlights
- 11 Sustainable Development
- 12 Integrated Business Model B2C2B2G
- 13 Corporate Governance
- 15 Technological Transformation
- 16 Risk Management
- 17 Retail Business
- 18 Wealth Management
- 19 Corporate Business
- 20 Sales Network
- 21 Non-Financial Business

2 STRATEGIC REPORT

- 23 Address of the Chairman of the Supervisory Board
- 24 Address of the CEO, Chairman of the Executive Board
- 26 Market Overview
- 30 Guidance 2021
- 31 Mission and Values
- 32 Status of Strategy 2020
- 36 Strategy 2023

3 OVERVIEW

- 38 **Best Client Experience and Ecosystem**
- 38 Retail Business
- 49 Wealth Management
- 55 Corporate and Investment Business
- 68 Sales Network Development
- 74 Non-Financial Business

- 81 Technological Platform
- 83 Data, Infrastructure, Cloud Services
- 84 Application of Artificial Intelligence
- 85 Innovations
- 87 Accelerators

4 CORPORATE GOVERNANCE

- 90 Corporate Governance
- 91 Highlights of the 2020 Corporate Year
- 93 Characteristics of the Corporate Governance System
- 94 Sberbank's Corporate Governance Principles
- 96 Elements of the Corporate Governance System
- 97 Compliance with the Corporate Governance Code of the Bank of Russia
- 98 General Meeting of Shareholders
- 100 Supervisory Board
- 112 Supervisory Board Committees
- 118 Corporate Governance Development Trends
- 119 Executive Bodies
- 124 Corporate Secretary
- 125 Audit and Control System
- 129 Remuneration System
- 132 Compliance
- 136 Share Capital
- 139 Investor and Shareholder Relations
- 143 Major Transactions
- 143 Related-Party Transactions

5 FINANCIAL RESULTS

- 145 Dynamics of Major Performance Indicators of Sber under IFRS for Five Years
- 147 Analysis of the Statement of Profit and Loss
- 154 Analysis of the Assets Structure
- 157 Analysis of the Liabilities and Equity of the Group

6 RISK REPORT

- 162 Risk Management Strategy
- 165 Approach to Management of Key Risks of the Group
- 172 ESG Risk Management

7 FOREIGN SUBSIDIARY BANKS

- 174 SB Sberbank JSC
- 175 BPS-Sberbank OJSC
- 176 Sberbank JSC
- 177 Sberbank Europe AG

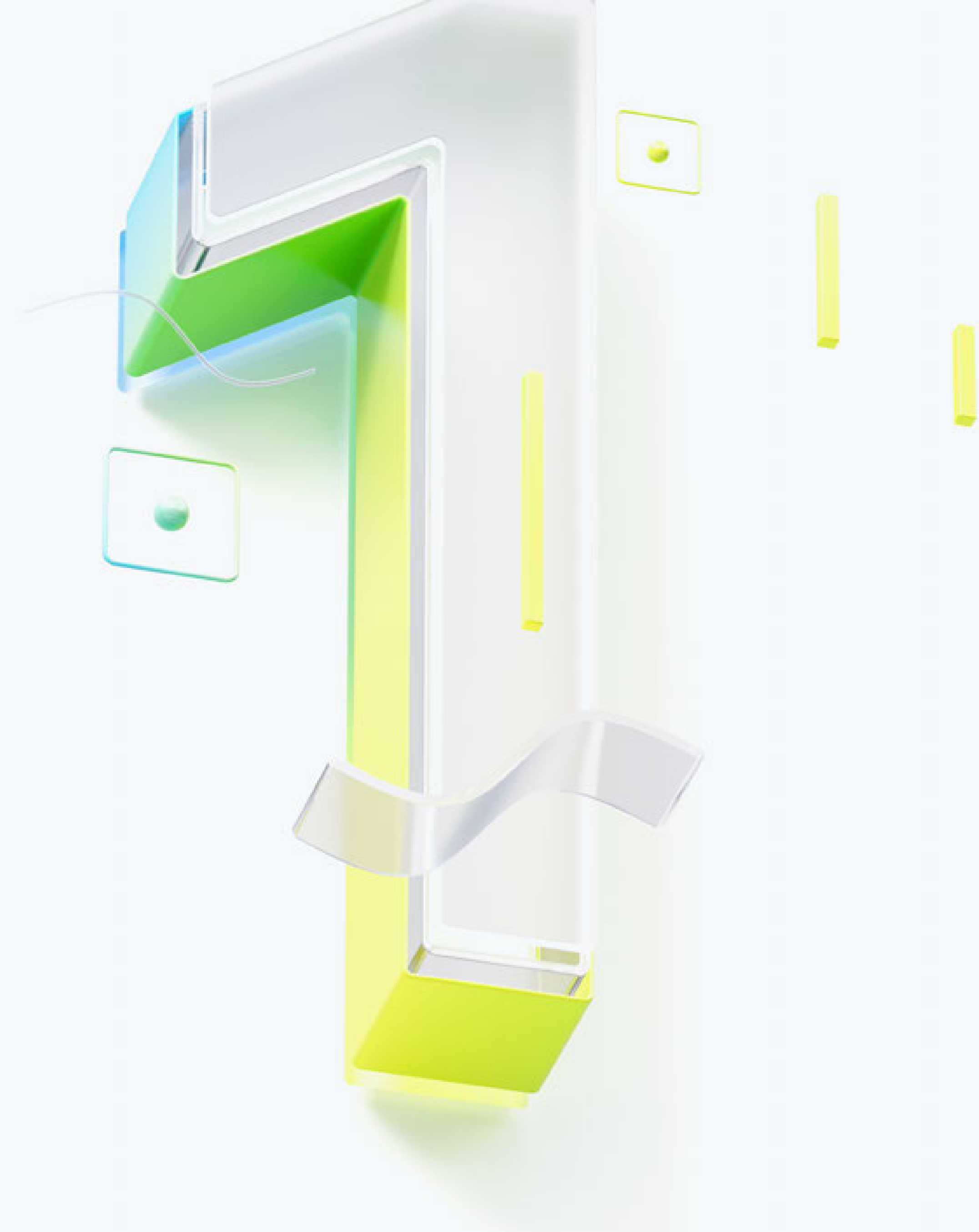
8 APPENDICES

- 179 Report on Compliance with the Principles and Recommendations of the Corporate Governance Code
- 195 Summary Consolidated Financial Statements
- 199 List of the Main Subsidiaries and Affiliates of Sberbank
- 208 Information on Selected Financial Metrics of the Group Across Jurisdictions
- 210 Information on the Financial Position and Performance of the Reportable Segments
- 211 Report on related-party transactions entered into by Sberbank in 2020

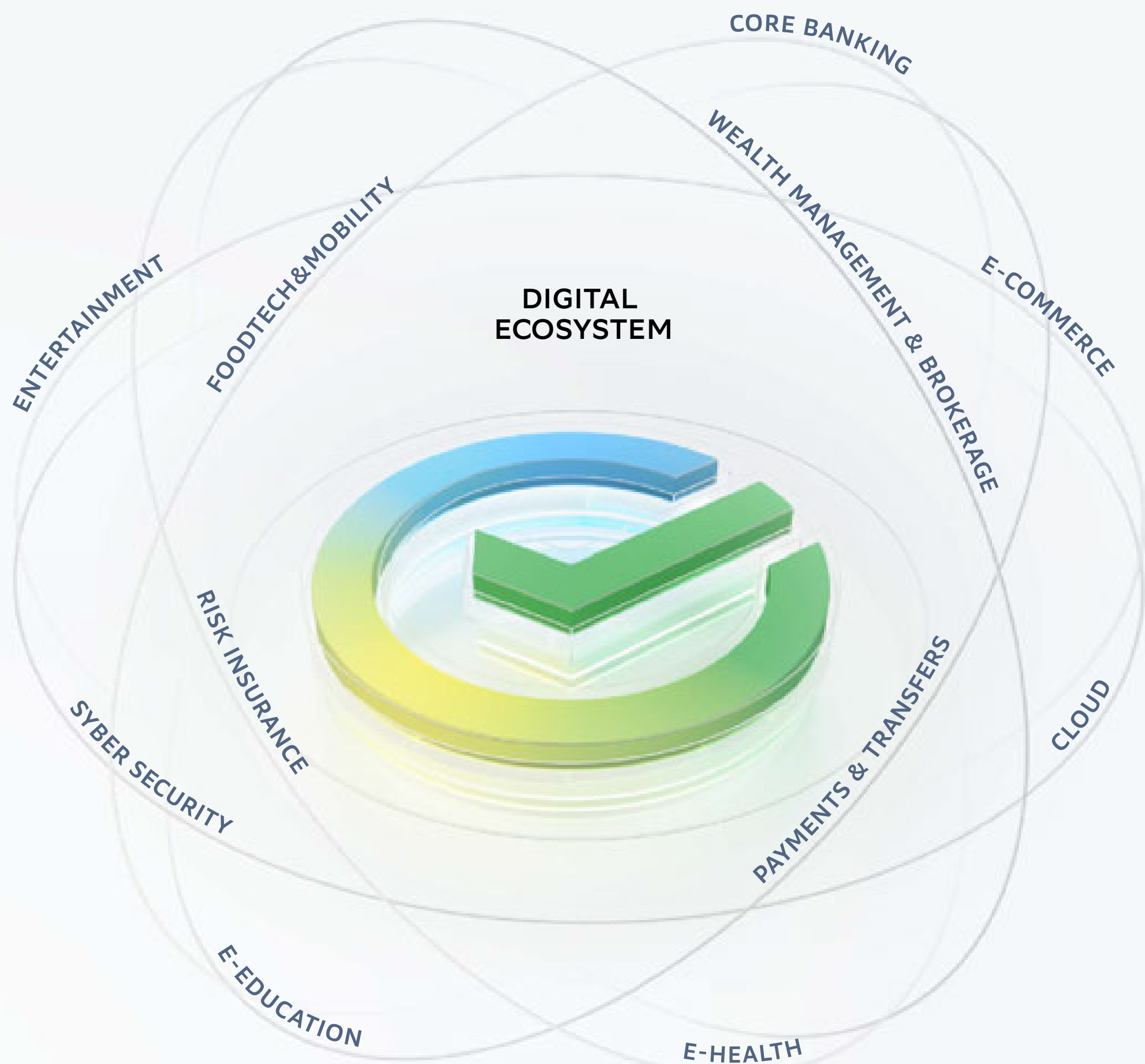
Portrait of the Group

7	Sber Becomes Technological Ecosystem
8	Rebranding
9	2020 Guidance Completed
10	Key Financial Highlights
11	Sustainable Development
12	Integrated Business Model B2C2B2G
13	Corporate Governance

15	Technological Transformation
16	Risk Management
17	Retail Business
18	Wealth Management
19	Corporate Business
20	Sales Network
21	Non-Financial Business



Sber becomes technological Ecosystem



Best client experience

98.9_{MN}

active retail clients

>2.7_{MN}

active corporate clients

>1_{MN}

MAU of mobile App SberBusiness

65_{MN}

MAU of mobile App SberBank Online

>50

companies in Sber Ecosystem

>60_{MN}

MAU of non-financial services

16_{MN}

SberID users

14.2_K

branches

70.4_K

ATMs

People with new skills in efficient teams

286_K

employees (including 40 K IT-engineers)

Technological leadership

New IT platform

×7↓

time to market

Innovations and tech entrepreneurship

12

innovative labs

Integration of IT-instruments & AI

×2↓

transaction cost

47

patents

Tech accelerators

SberZ (for students), Sber500 (external), SberUp (for employees)



№1 GOLD in Fraud Prevention

№2 SILVER in Advanced Threat Intelligence

№2 SILVER in Security Product and Service for Finance and Banking за CyberSecurity HUB

84%

employees proud to work in Sber

75%

employee engagement

Rebranding

In 2020 Sberbank presented a new brand.

Only yesterday Sber was just a bank

Today Sber is a whole universe of services for life and business

- SBER FOOD
- СБЕР ЗДОРОВЬЕ
- SBER CLOUD
- СБЕР МАРКЕТ
- СБЕР АВТО
- СБЕР ЛОГИСТИКА

Our new motto:

Sber. Always there for you!



Every day we help people fulfil their aspirations and dreams.

- The incomplete circle is a clock-face, symbolizing time saving and filling it with meaningful matters
- The branded check mark is a sign of confirmation and stands for task completion: Sber makes it all possible.
- The new logo reflects a certain continuity with the previous corporate identity and embodies the idea of new opportunities



English version



Russian version

We help people deal with their vital tasks and go where new needs arise. We strive for the comfort of every person and the success of every business. We are entering new industries to make them more convenient, more familiar, and more accessible.

2020 Guidance Completed

Efficiency

Profitability

Capital

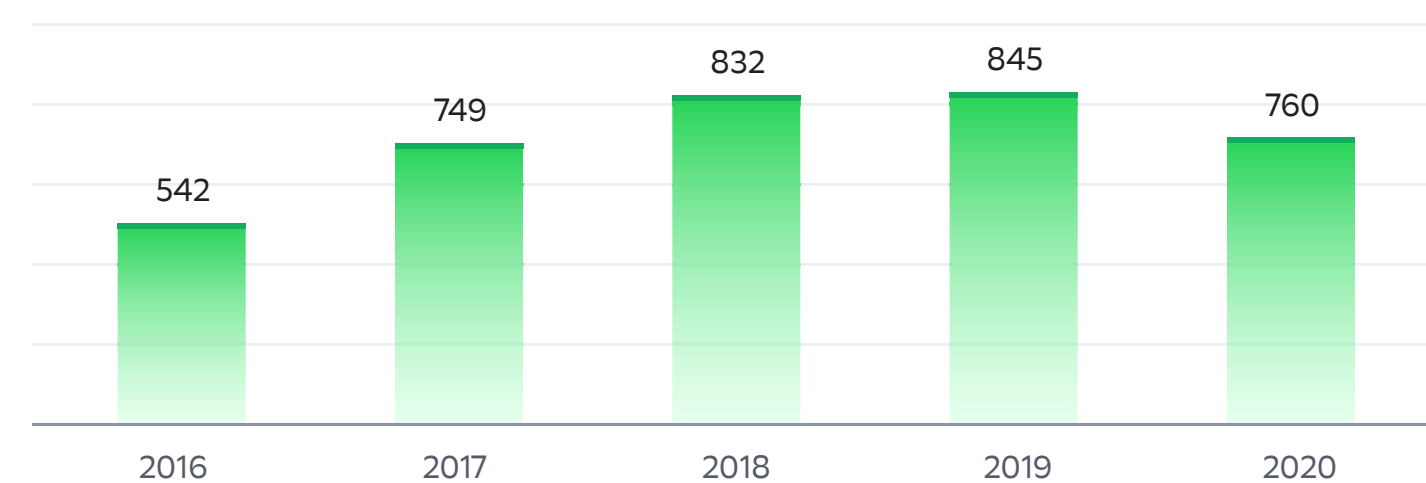
- Cost-to-Income Ratio (CIR)
- OPEX growth
- NIM
- Net Fees & Commissions growth
- Revenue from non-financial digital companies attributable to Sber
- Cost of Risk
- ROE
- CET 1 CAR under Basel 3.5 for the Group

	2019	2020 <small>As of October 2020</small>	2020
Cost-to-Income Ratio (CIR)	35.8%	Slight increase y-o-y	34.6%
OPEX growth	724 BN RUB	<10%	4.9%
NIM	5.38%	Slightly >5.3%	5.47%
Net Fees & Commissions growth	497.9 BN RUB	~10%	+11.0%
Revenue from non-financial digital companies attributable to Sber	26.4 BN RUB	>70 BN RUB	71.4 BN RUB
Cost of Risk	74 B.P.	230–250 B.P.	206 B.P.
ROE	20.5%	13–15%	16.1%
CET 1 CAR under Basel 3.5 for the Group	13.41% ¹	13.0–13.5%	13.83%

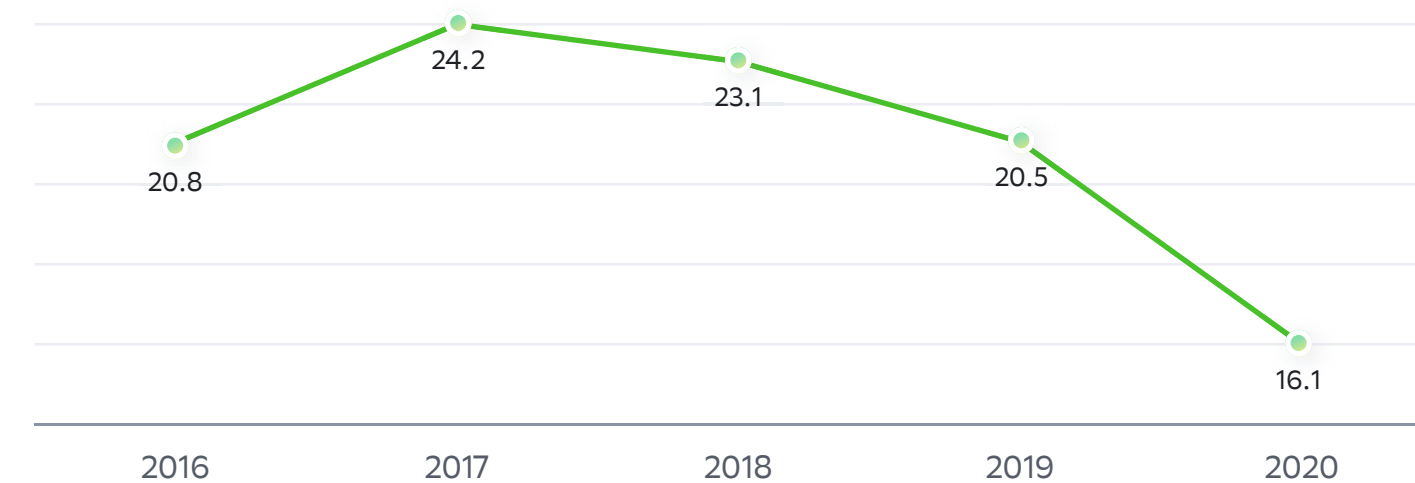
¹ in accordance with Basel III principles

Key Financial Highlights 2020

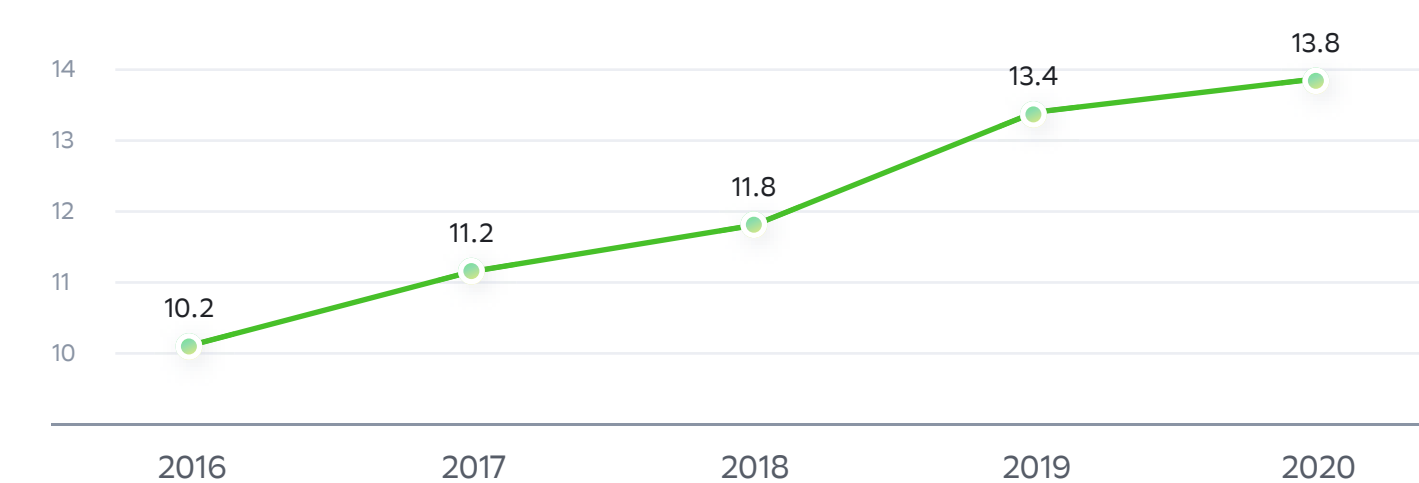
Net profit, RUB bn



ROE, %



CET1¹ Capital Adequacy Ratio, %



71,4 BN RUB
Revenue of Non-financial business segment

34.36 RUB
Earnings per ordinary share (EPS)

34.6 %
Cost-to Income Ratio (CIR)

33.2 %
Cost-to-Income Ratio for the financial business (CIR)

206 B. P.
Cost of Risk (amortized cost and FV loans) (COR)

15.7 TN RUB +13.2%
Corporate loan portfolio

9.3 TN RUB +18.1%
Retail loan portfolio

9.1 TN RUB +23.9%
Due to corporate clients

16.6 TN RUB +17.1%
Due to retail clients

¹ Risk-weighted assets in 2020 were assessed according to Basel 3.5 and those for the previous periods according to Basel III

Sustainable Development

Sber set itself the goal of becoming the leader driving the sustainable development agenda in Russia and an active conductor of these changes locally and internationally. Thanks to its unique position, Sber is ready to shape and improve the ESG regulatory environment and follow best global practices.



Sber acknowledges the importance of the UN Sustainable Development Goals and strives to contribute to them accordingly.

ESG-goals in Strategy 2023

Environment

Our own impact on the environment reduction

- “Green” office concept
- Paper documents reductions by 30% annually
- 40%—share of waste for recycling
- 30%—share of “green” energy in total consumption
- 100% ESG-compliant corporate purchases
- Own CO2 footprint assessment from 2021 and gradual reduction onwards

Social

For employees

- Equal opportunities environment, inclusivity
- Flexible working formats for 20% of employees
- Employee engagement retained at 75%
- Volunteering

For clients and the country

- Small and micro businesses support
- Nation well-being development by Sber’s financial and investments services
- Healthcare and educational technology accessibility increase

Governance

- ESG-integration framework
- ESG-score for 100% corporate borrowers
- Signatory to global ESG initiatives:
 - UNEP FI: Principles for responsible banking
 - UN Global Compact

Sber participation in global ESG-initiatives



More details on ESG-agenda in Sustainability Report page 217

Highlights of 2020 developments on Sber’s ESG-agenda



Integrated Business Model B2C2B2G



We integrate needs of retail clients, businesses and the country by Sber solutions



Integration of client data with multiple channels and business processes reveals maximum synergies



The new business model is based on technologies, team skills and ESG-principles applied to all Sber's stakeholders

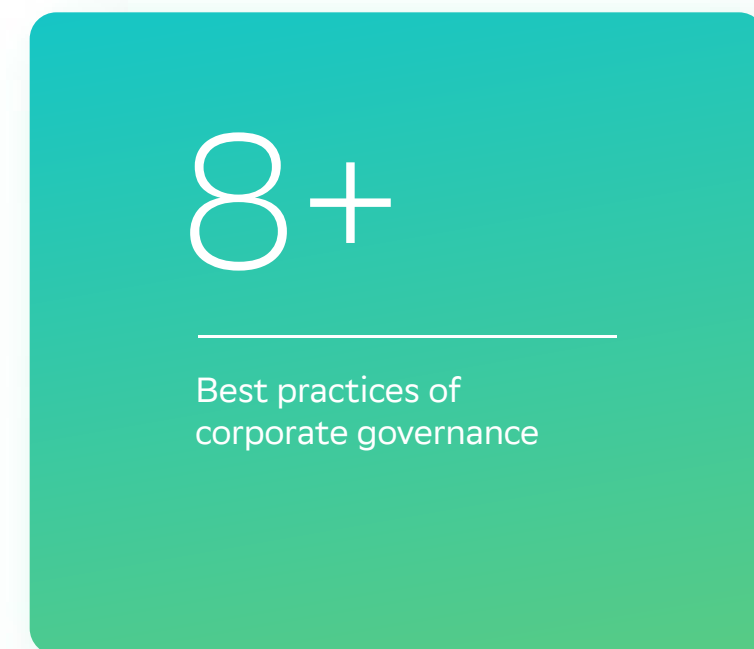


We develop marketplaces through which we create audience growth for businesses and ensure wide service range, best price, speed and quality for retail clients



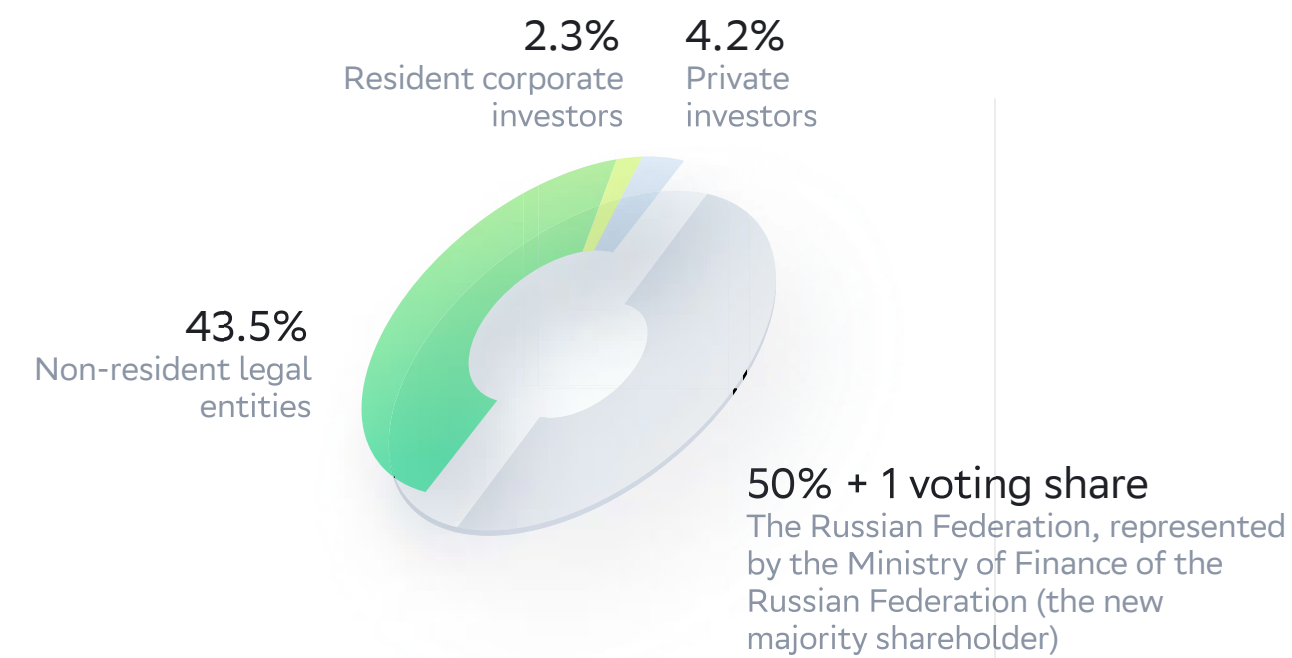
Corporate Governance

Sberbank's National Corporate Governance Rating (NCGR)



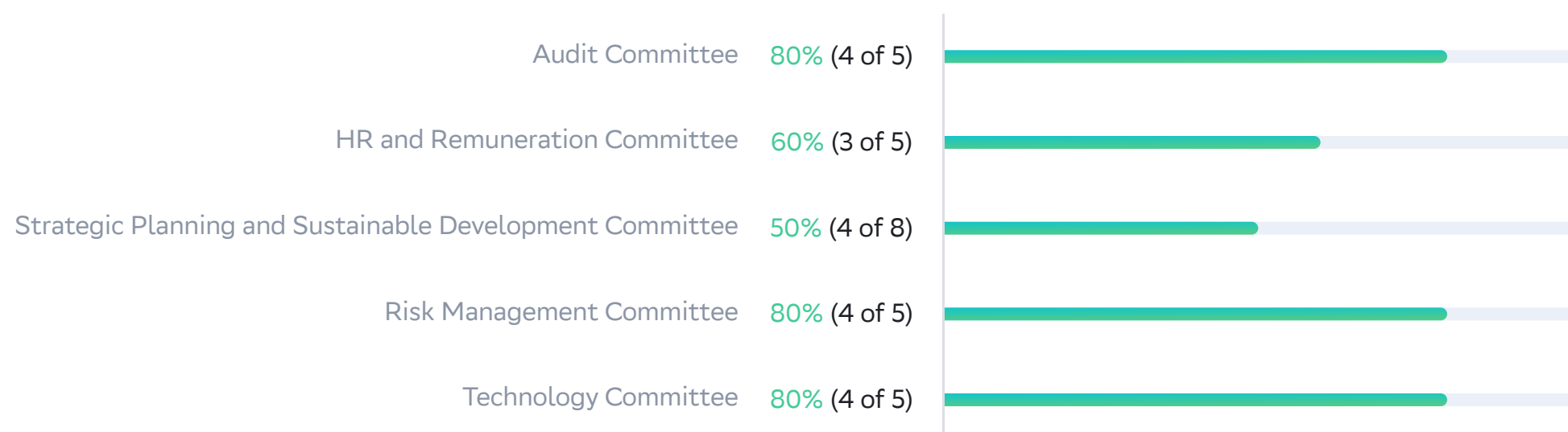
Sberbank is the only company in Russia with NCGR 8+ (the highest rating among all companies having NCGR)

The structure of the bank's shareholders¹



¹ as of the register closure date, 31/08/2020

% of independent directors in the Supervisory Board's committee

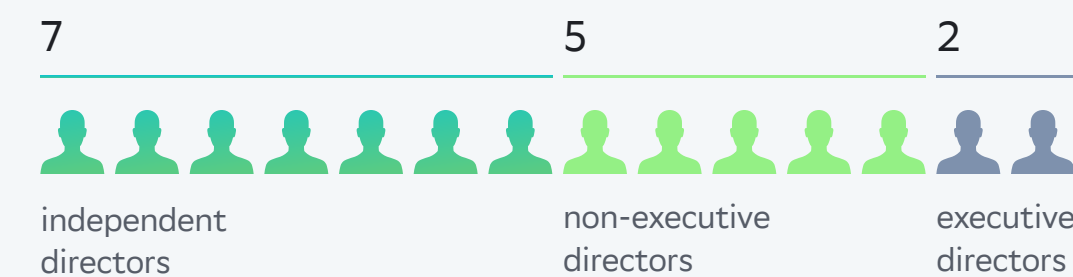


Compliance management and anti-corruption systems meet international standards ISO 19600:2014, Compliance Management Systems and ISO 37001:2016, Anti-Bribery Management System.

The updated Corporate Governance Code of Sberbank contains eleven principles of Sberbank's corporate governance:

- 01 Unconditional enforcement of shareholders' rights and interests
- 02 Delineation of powers and responsibilities related to business management between management bodies and executive bodies of the Bank
- 03 Efficient operation of the Supervisory Board
- 04 Accountability of executive bodies
- 05 Efficiency and independence of the Corporate Secretary
- 06 Transparent and balanced remuneration system for the members of the Supervisory Board and executive bodies
- 07 High standards of corporate culture and business ethics
- 08 Balanced and efficient internal control and risk management systems
- 09 Development of proper corporate governance mechanisms in controlled companies
- 10 Transparency
- 11 Compliance with international standards and principles of sustainable development and ESG

Structure of the Supervisory Board



Sberbank appointed its first ESG and Sustainable Development Curator – Nadya Christina Wells, a member of the Supervisory Board.

Dividends

422 BN RUB

Record-high dividends for the Russian market were paid from the 2019 profit amounting to RUB 422 bn

New Dividend Policy

For the first time in Sberbank history, the share of dividends reached 50% of the net profit of Sber Group, according to IFRS.

Issues Considered by the Supervisory Board in 2020



Institutional Investor



Emerging EMEA Executive Team 2020, Financials

- ★ MOST HONORED COMPANY
- ★ #1 BEST IR PROGRAM
- ★ #1 BEST IR TEAM
- ★ #1 BEST IR PROFESSIONAL, Anastasia Belyanina
- ★ #1 BEST CFO, Alexander Morozov
- ★ #1 BEST ESG METRICS
- ★ #1 BEST INVESTOR DAY, Analyst Day 2019

Investor Day 2020

«I cannot miss the opportunity to experience the sheer joy of looking at the products you deliver. I was completely blown off with the totally new format you offered to the market! Congratulations!»

«... all the presentations were compelling and consistent, you are a true team».

12

speakers from Sber's top management team

>6

hours of speeches and Q&A

1.3_{MN}

viewers (all viewers, including those watching live on TV and YouTube)



Technological Transformation



Risk Management in 2020

SberRiskTech—is a technological transformation of risk management based on an AI algorithm and the growing number of models used:

there are over **1,300 models**, with 80% of the models monitored automatically

the capacity of Sberbank’s Lending Factory technology platform is **–up to 1 mln applications per day**

greater use of raw data predictors and AI technologies allowed to increase the Gini level on selected models to over **80%**

In 2020, retail loans were issued based on a short questionnaire (a total of 11 fields):

90 SEC

responses were given

>

97.5 %

applications

20 MIN

online restructuring decisions were made

>

45 %

applications

45%

Short-term loans to medium and large businesses are approved by technology “Loan in 7 minutes”

20

stress tests of financial and technological strength were conducted in 2020

ADVANCED RISK MANAGEMENT IS A KEY ELEMENT IN SBER’S BUSINESS MODEL

ESG RISKS

- The Concept for Development of the ESG Risk Management System was approved
- Key tools for determining the level of ESG risks in the credit process were developed
- The tools were planned for implementation based on the results of automating operations with ESG data

ECOSYSTEM RISK MANAGEMENT

- Performed by a central unit—Ecosystem Risk Division
- Broken down by companies, technology platforms, and products
- Each ecosystem company builds its own internal risk management processes taking into account the specifics of its business, size, and stage of development
- Unified technology platforms are adapted to avoid scaling local risk incidents throughout the ecosystem
- In 2020, companies were integrated into the risk management framework of Sber Group

As a result of the pandemic, the level of process automation became higher; ANTICOV headquarters was established to monitor operational risks; an action plan for conduct risk was approved; adaptation measures for management in critical situations were implemented; risk profiling of the state support program was carried out

LOAN PORTFOLIO QUALITY

2.3 TN RUB

restructured as part of pandemic support measures for corporate clients

185 BN RUB

restructured primarily as part of pandemic support measures for corporate clients



the payment discipline on restructured loans is high



in H1 2020, significant provisions were made in anticipation of the growing risk

206 BPS +132 bps

cost of risk in 2020

90.3 %

RWA density which reduced by 12 pp due to introduction of new IRB models, transition to Basel 3.5 (for IRB and standardized approaches) and reduction of macro add-on for retail loans

Retail Business in 2020

CLIENTS

98.9_{MN}

active clients (+3%)

DIGITAL CHANNELS

73.0_{MN}

MAU (App + Web + text messaging)

71.0 %

share of retail non-cash transactions

55 %

sales of core products via digital channels

PRODUCTS

Mortgages

5.2_{TN RUB}

+21.6%¹

54 %

market share

45.6 %

is issued through DomClick

Banking cards

15_{MN}

active credit cards

123_{MN}

active debit cards

Consumer loans

3.1_{TN RUB}

+16.9%¹

42 %

market share

66.2 %

share of loans via Sberbank Online

Due to retail clients

16.6_{TN RUB}

+17.1%

45.4 %

market share

62.4 %

share of funds raised via Sberbank Online

3 Acquirer in the World – The Nilson Report 2019

TECHNOLOGIES, AI



Salut voice assistant family



A chatbot in Sberbank Online and on the bank's website automatically solves the client's issue in 65% of cases.

AWARDS



Global Finance. The Innovators. General award The Most Innovative Bank in Central and Eastern Europe for 2020 and Special Honor award



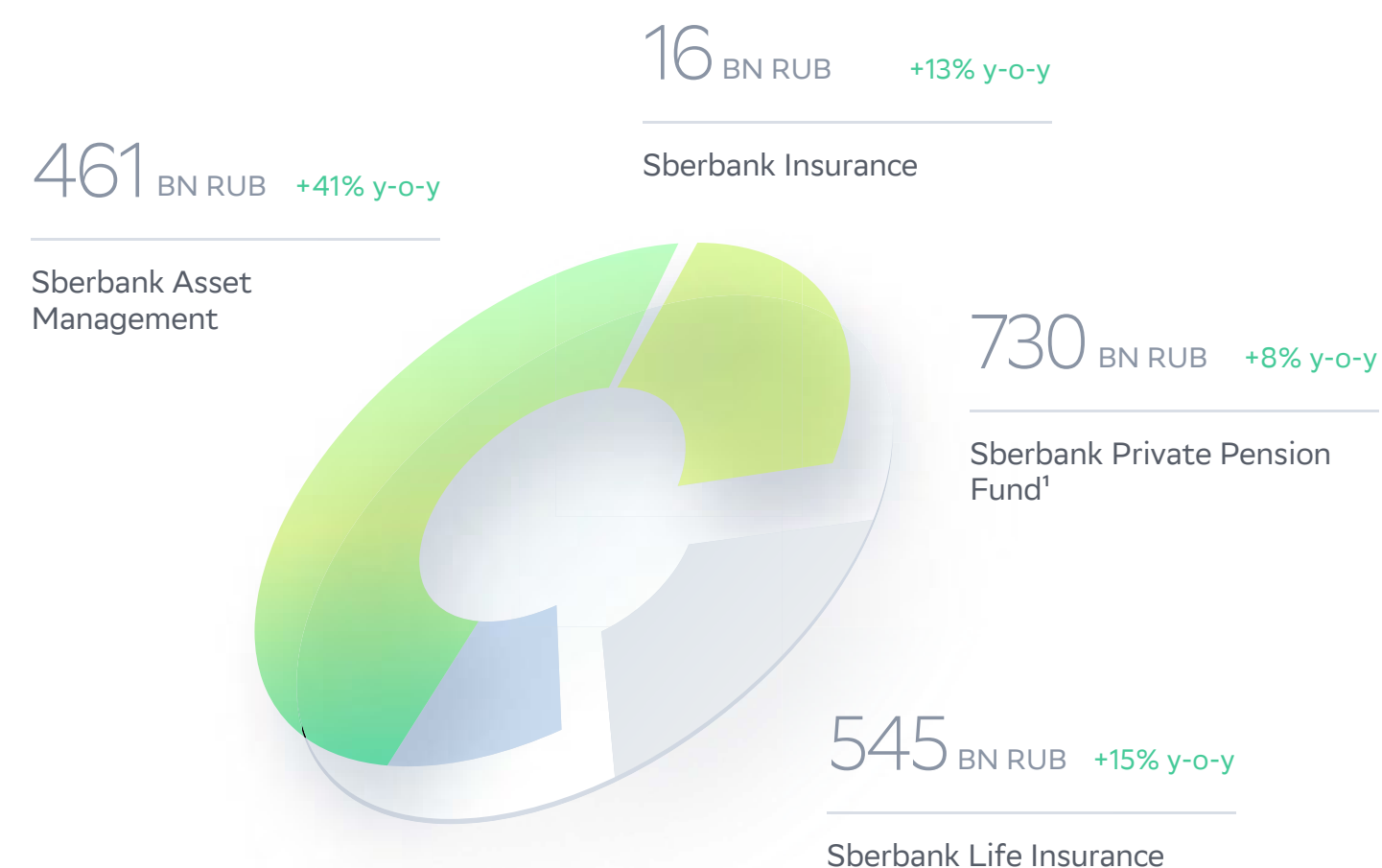
International Customer Experience Awards. Gold Winner for Best Use of Digital



Retail Finance. Winner as the Best Retail Bank, for the Best IT Solution for Retail Business, Best Social Project and Best IT Solution for Retail Business According to Readers

Wealth Management

Assets under management



¹ The development of the mandatory pension insurance market (91% of the Private Pension Fund's assets) is significantly limited with the funded component of the pension remaining frozen until 2023; transfers to the PPF from the Pension Fund of Russia and other PPFs are significantly restricted by law. The market growth was due to investment income.

All wealth products can now be purchased through Sberbank Online

19% +14 p.p.
sales in digital channels

9.0
Customer Satisfaction Index

Sberbank insurance

Nº1

in the retail property insurance market

ruAAA
Outlook—stable

financial strength and reliability rating Agency RAEX (Expert RA)

Sberbank life insurance

Nº1

in the life insurance market

ruAAA
Outlook—stable

financial strength and reliability rating RAEX (Expert PA)

AAA.am

rating HPA[ⓧ] (NATIONAL RATING AGENCY)

Sberbank Asset Management

Nº1

in the market by assets under management

214 k

individual investment accounts (IIA)

NPF Sberbank

Nº1

compulsory pension insurance

ruAAA
Outlook—stable

financial strength and reliability rating RAEX (Expert PA)

Corporate Business in 2020

Clients

>2.7_{MN} +200 k

active corporate clients

277_K

self-employed registered through the "Own Business" platform

29.4_K -22%

number of complaints as of 4Q 2020

78%

Customer Satisfaction Index

Lending

~200_K

Corporate clients received state and Sber support since March 2020

2.3_{TN RUB}

restructured corporate exposure, including Sber own programs

32.2% +0,8 p.p.

share of the Russian corporate lending market

36% +1 p.p.

SME lending market share

45% +30 p.p.

short-term loans to medium and large businesses are approved by technology "Loan in 7 minutes"

>25% +8 p.p.

loans to small businesses worth RUB49 bn approved by technology "Loan in 3 minutes"

Cooperation with the government

15

digitalisation projects at federal and regional level

47 +10 bn RUB

public-private partnership projects in 36 regions worth RUB 21 billion

Transactional business

11% +7 p.p.

remote registration service

53% +7 p.p.

share of escrow market by outstanding balance

16.9% +2 p.p.

No. 1 in the market of foreign trade activity

1_{SEC} 24/7

payments

SuperBusiness bank (formerly Sberbank Business Online)



Global Finance
Best web bank in Eastern and Central Europe



Markswobb
The best digital service for big business. Top 5 Mobile Banks for Business

>2.3_{MN} +180 k

MAU

77% +3 p.p.

Satisfaction Index of Internet-bank SberBusiness

Ecosystem for corporate clients

119 number of products and services for legal entities

Core companies:



Technologies

AI

- x8 accelerated production of AI models and showcases
- 72% of document flow for key processes via Text Recognition
- 95% of Contact Centre operator workload predicted by AI
- 26% of requests in text messaging channels are covered by the chat bot

SberBusinessAPI

- > 100 new integrations (vs 35 in 2019) of legal entities and fintech companies with Sber

BigData

- Platform with customer data processes 23 million transactions per day
- ESG customer profile started to be collected: green lending, inclusion, social responsibility. Reward: "an operational defect prevention system" included in the library of the best Russian AI projects AI RUSSIA

Sber awards

- CX World Awards 2020 in the categories of personalized customer experience and effective technology application in customer experience
- Digital Communication Awards: Bankofpartners.com—silver prize-winner in European international competition in category "Websites"
- Global Trade Review in the Best Trade Finance Bank in Eastern Europe category
- Global Finance: sberbank.ru won—best corporate banking website in the world
- Global Finance: Best Investment bank in Russia

Global markets

4_K

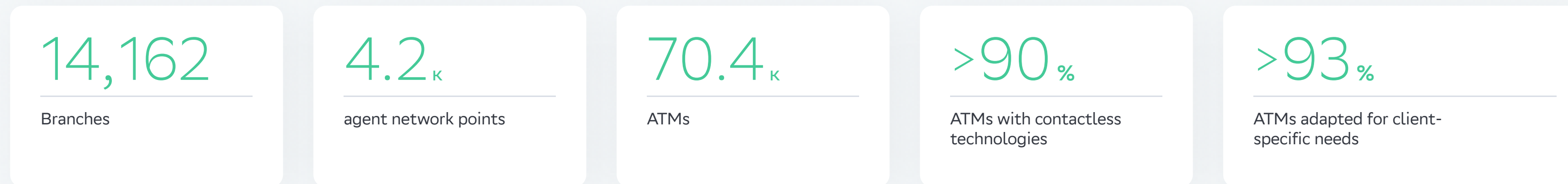
SberCIB Terminal (SberbankMarkets)

34% +6 p.p.

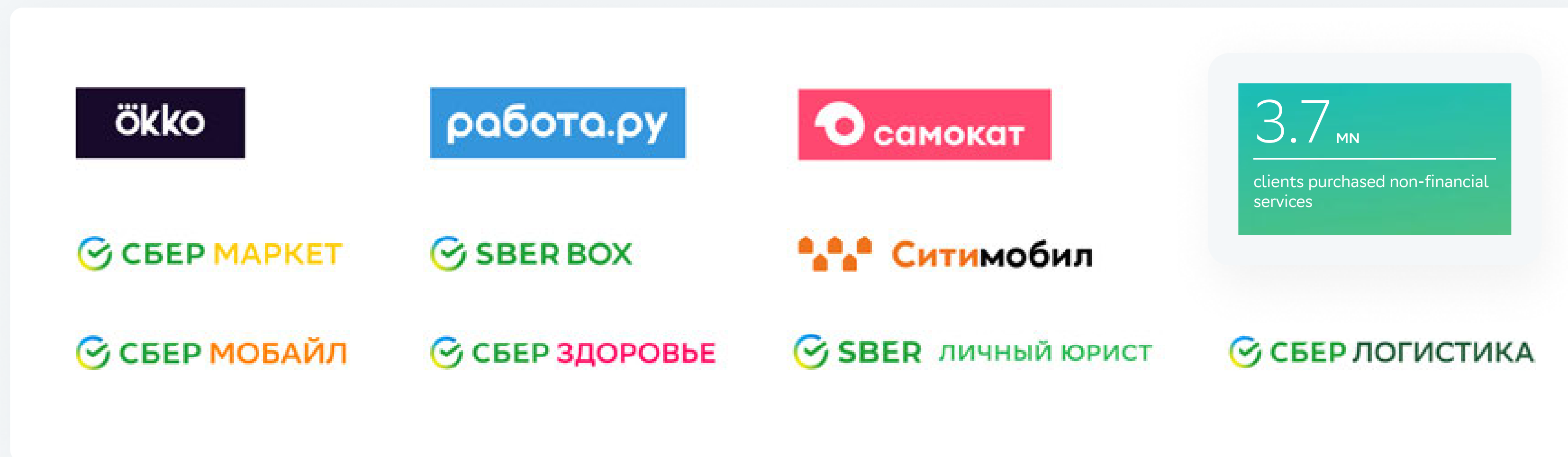
brokerage market share

Sales Network in 2020

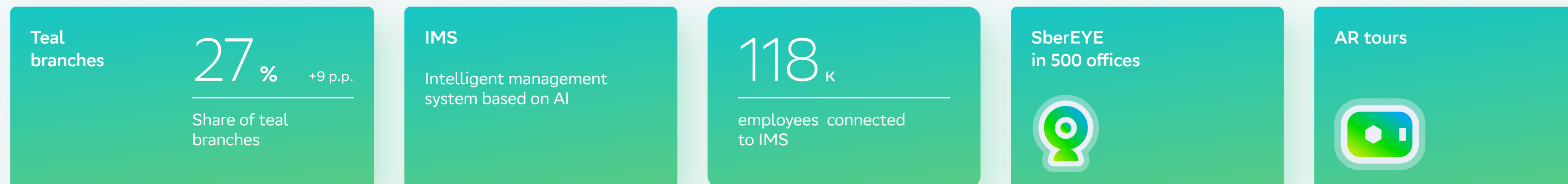
New formats



NON-FINANCIAL SERVICES IN THE BRANCH NETWORK



TECHNOLOGIES



Non-Financial Business

Sber's non-financial services may be classified as fast-growing industries with the focus on digital experience

>50

companies in Sber ecosystem by the end of 2020

>60 MN

MAU of Sber non-financial services by the end of 2020

~150 BN RUB

total investments in Sber ecosystem non-financial assets by the end of 2020

36

technological unifying elements ensure the seamless integration of Sber's ecosystem services

16 MN

clients have the unified client profile - SberID

71,4 BN RUB ×2.7 y-o-y

in revenue from Sber non-financial business for 2020

E-commerce



Entertainment



FoodTech&Mobility



Health



B2B services

Cloud Services



Cybersecurity



Other non-financial services

Classified



Biometrics



Communications



Marketing



Consumer electronics



Strategic Report

23	Address of the Chairman of the Supervisory Board
24	Address of the CEO, Chairman of the Executive Board
26	Market Overview
30	Guidance 2021
31	Mission and Values
32	Status of Strategy 2020
36	Strategy 2023



Address of the Chairman of the Supervisory Board



Dear clients and shareholders,

Sberbank successfully overcame all the challenges and difficulties of the past year.

2020 was an important milestone for the company: change of the majority shareholder; approval of the new Development Strategy 2023; update of the Dividend Policy maintaining the bank's continuous commitment to ensuring a decent level of shareholder return; adoption of a new version of the Corporate Governance Code to reflect both the large-scale changes taking place in Sberbank and the best practices of previous years. It is worth noting separately that the new Sber brand was presented as an ecosystem for every occasion.

All these changes will certainly increase both internal efficiency and external competitiveness of the bank.

I would like to focus on the new Strategy. An important part of it is the ESG agenda. In 2020, Curators for ESG and Sustainable Development were appointed on the Executive Board and the Supervisory Board. Sber has embarked on the development of green products and principles of responsible financing, continues numerous social and environmental initiatives that contribute to the development of living standards, growth of small and medium-sized businesses in Russia.

Moreover, 2021 saw Sberbank join global sustainability initiatives, including the Principles of Responsible Banking and the UN Global Compact. The bank strives to contribute to a sustainable future.

At the end of the year, the bank disclosed up-to-date information on the results of certain business segments thus reaching a new level of transparency. The Supervisory Board expects the bank to continue its work in this area.

Having established itself a tech company providing up-to-date, convenient products and services to its clients, Sberbank remains a reliable bank maintaining leadership across all major segments of Russia's financial market. The high profitability of the financial business and the focus on the shareholders' interests provides a strong basis for Sberbank's activities in the financial market, as well as a foundation for the development of new lines of business.

In conclusion, on behalf of the Supervisory Board, I would like to say thank you to all Sber employees for their coherent and dedicated work, for their commitment to the cause and to our clients. Their experience and professionalism helped the bank achieve excellent results amid turbulence of the past year.

Anton Siluanov

*Chairman of the Supervisory Board
PJSC Sberbank*

Address of the CEO, Chairman of the Executive Board



Dear shareholders, clients, partners,
and employees,

2020 presented a formidable ordeal for the whole world. The pandemic, the collapse of oil prices, and entire sectors of the economy all but grinding to a halt culminated in an unprecedented challenge for us. And yet we succeeded in achieving the guidance that we had set ourselves.

Sber Group earned RUB 760.3 bn in net profit under IFRS in 2020, with earnings per ordinary share at RUB 34.36 (-11% y-o-y). Our return on equity exceeded 16%. We also strengthened our positions in key financial markets, with the most notable increase occurring in the share of retail deposits to 45.4% (+1.6 pp y-o-y).

Russia's economy demonstrated a marked resilience in 2020, with GDP shrinking by just 3.1%. This was made possible by the timely implementation of the government's rescue package that cost more than 4.5% of GDP, supported a significant monetary easing as the Bank of Russia cut its key rate by 200 bp. Strong momentum gained by Russia's economy in the years before the crisis also helped.

Sber was, and still is an important player in our common fight against the fallout of the pandemic. We acted swiftly and set up an anti-crisis headquarters and sent our employees to work from home. We continually provided services and started offering support to the public and businesses as quickly as possible. We issued RUB 17.7 trillion in loans during the year, which included our own and government support programs.

The Group's loan portfolio increased by 15%, with the corporate portfolio rising by 9.3% in real terms and the retail portfolio expanding by more than 18%. Sber became a leading provider of the government-subsidized mortgage program that was launched in April 2020. This helped many people buy a home, thus supporting demand, which also had a positive effect on the construction sector. Sber restructured a total of more than RUB 2.5 trillion in loans under government programs and our own anti-crisis initiatives.

The repayment holidays have now largely finished and most borrowers have returned to the regular servicing of their loans, a positive sign for our asset quality. Some sectors of the economy suffered more than others as a result of the pandemic. Thus around a third of all corporate restructurings have required subsequent changes to their terms and conditions. Overall, the situation has proved to be much better than feared in March and April of 2020.

The recovery of business and consumer activity as lockdown restrictions were lifted, combined with the development of our digital services and a large-scale cost-cutting program, helped Sber build a healthy capital base. This enabled Sber to become one of the first financial institutions to resume dividend payments. We paid a record for the Russian market amount of dividends of RUB 422 bn out of the 2019 net profit, as we originally planned before the crisis.

Both the public and businesses were forced to adapt to a new environment, modifying business models and adjusting their behavior by developing digital habits. This has confirmed that we are strategically on the right track. We constantly strive to meet the end needs of our clients and are proud to report that our active audience keeps growing. The number of our retail clients approached 99 mn at the end of 2020, with the youth becoming our fastest growing client segment, accounting for more than a 70% share among our new clients. The number of active corporate clients exceeded 2.7 mn.

The SberBank Online mobile app is in the top three apps by MAU in Russia, with 65 mn monthly users and half that number using it on a daily basis. Additionally, the pandemic provided a digital opportunity to those who traditionally preferred our brick-and-mortar branches. The share of products bought online by retirement-age users doubled. The SberBusiness corporate digital bank now has more than 2.3 mn monthly users.

The share of our financial services sold through digital channels reached 56%, while demand for our non-financial services exceeded expectations. We became the leader in the e-grocery and food delivery segments (SberMarket, Delivery Club). The monthly user base of our e-grocery service increased 10-fold, while in the entertainment segment, the number of the Okko and SberZvuk streaming services users doubled.

Address of the CEO, Chairman of the Executive Board

We launched the SberPay service, updated the fee model for our P2P money transfer model, and made our public transport acquiring system available in 140 cities. All of this combined to push our cashless turnover to 71% of total retail transactions.

We remain the leader in key wealth management segments, including life insurance, investment insurance, and asset management. Assets under management rose 17.3% last year to over RUB 1.7 trillion, and all of our wealth management products and services are now available online.

2020 was a breakthrough year for us: in an extremely adverse environment, we were able to achieve the key goal of our previous strategy – to become a tech company. That’s how we are now perceived by our clients, partners, and shareholders. We reached a new development level of our technology platform and started creating innovative products by launching a family of Salyut voice assistants and the SberBox and SberPortal smart devices.

Last year presented a challenge for our cybersecurity service, which had to deal with a surge in cyberattacks and malicious traffic as a result of 70% of our employees being sent home to work. Yet our multi-level system protection proved to be resilient, and we are proud to report that Sber’s cybersecurity services received international awards in three nominations in 2020.

In a major 2020 milestone, we consolidated our financial and non-financial products and services under a single and recognizable brand name, Sber.

Our financial business remains a solid foundation on which to develop the Sber Ecosystem. Yet the non-financial business has become a regular activity for our team, and we added a number of important acquisitions to it in 2020. We became majority owners of the e-grocery sector leader SberMarket and Russia’s leading geolocation and mapping service 2GIS, consolidated 100% of Rambler Group and launched our own music streaming service SberZvuk. Sber’s non-financial services reported a revenue of more than RUB 71 bn for the year, a 170% increase; we had invested a total of some RUB 150 bn in our non-financial Ecosystem services by the end of 2020.

In 2020, we designed a new Development Strategy until 2023, which is a continuation of our previous strategy and is aimed at building an integrated, client-centric Ecosystem.

Today, 36 unifying elements ensure a seamless integration of our Ecosystem services. The number of SberID users reached 16 mn. In 2020 we launched the SberPrime subscription that offers access to a bundle of Sber services at a discounted price, thus boosting user engagement.

In accordance with our new Strategy, we are striving to become a trusted assistant and navigator for individuals, a reliable partner for businesses, and a driver for growth and innovation for the entire country. This serves as a serious motivation for our team.

Our financial and operating performance demonstrates that we are on the right track, and it is of the utmost importance that the people we employ feel satisfaction from the results of their work endeavours. 84% of our employees say that they are proud to work at Sber. A teamwork drive helps us create totally new innovative solutions and management models.

As part of our new Strategy, Sber has set a goal of becoming the leader of the sustainability agenda and launched a systemic internal ESG transformation. We have created a management structure and set strategic goals, and in early 2021 Sber became a participant in two global ESG initiatives: UNEP FI: Principles for Responsible Banking and the UN Global Compact. We are prepared to become a reliable partner in the processes of transition to a more sustainable development model, and we are confident that a dialog on this topic is equally important for the government, business and the public at large, as coordinated actions by all stakeholders are required for effective implementation of the green agenda.

Finally, I would like to extend my gratitude to all of our clients, employees and shareholders for choosing Sber and helping us change for the better.

Herman Gref

*CEO, Chairman of the Executive
Board of Sberbank*

Market Overview



GLOBAL ECONOMY

According to IMF, the global economy fell 3.5% in 2020 compared to an increase of 2.8% a year earlier. Both developed and developing countries were affected by the economic downturn. The introduction of quarantine restrictions due to the spread of COVID-19 had an unprecedented impact on economic activity.

The major central banks of developed countries eased monetary policy in response to the economic risks associated with the coronavirus spread. In particular, most countries launched new anti-crisis tools, with programs similar to quantitative easing implemented by a number of developing countries for the first time ever. Energy-exporting countries (oil, in particular) faced both shocks caused by the pandemic and shocks caused by a sharp decline in export prices. At the end of 2020, the currencies of some developing economies did not fully recover from the weakening that had occurred at the spring peak of the pandemic. In particular, the Russian ruble was almost 16% weaker than at the beginning of the year. At the year-end, the currencies of Mexico and Brazil fell by 6.5% and 21.5%, respectively, the currency of Turkey by 24.4%. At the same time, the Chinese yuan strengthened by almost 7%.

The recovery of capital inflows to emerging markets (after an unprecedented outflow at the beginning of the crisis) was uneven and depended both on the type of financial instruments and on specific countries. The most vulnerable segment in terms of capital outflows was the assets of emerging markets (except China) in national currencies. The accumulated capital flow of non-residents to this segment hit -0.95% of GDP at the peak of the pandemic, with almost no signs of recovery at the end of 2020 (-0.63% of GDP).

According to IMF, the growth of the global economy in 2021 is forecast to be 5.5%, with developed economies growing by 4.3% and developing countries by 6.3%. At the same time, the risks of repeated waves of coronavirus and related lockdowns remain, along with uncertainty about the timing of completion of mass vaccination.

GDP growth

(IMF data, % y-o-y)



RUSSIAN ECONOMY

The introduction of restrictions to fight the COVID-19 pandemic led to a 3.1% decrease in GDP in 2020 versus an increase of 2% a year earlier. The decline in the economy was primarily caused by consumption levels going down as a result of restrictions and income drop.

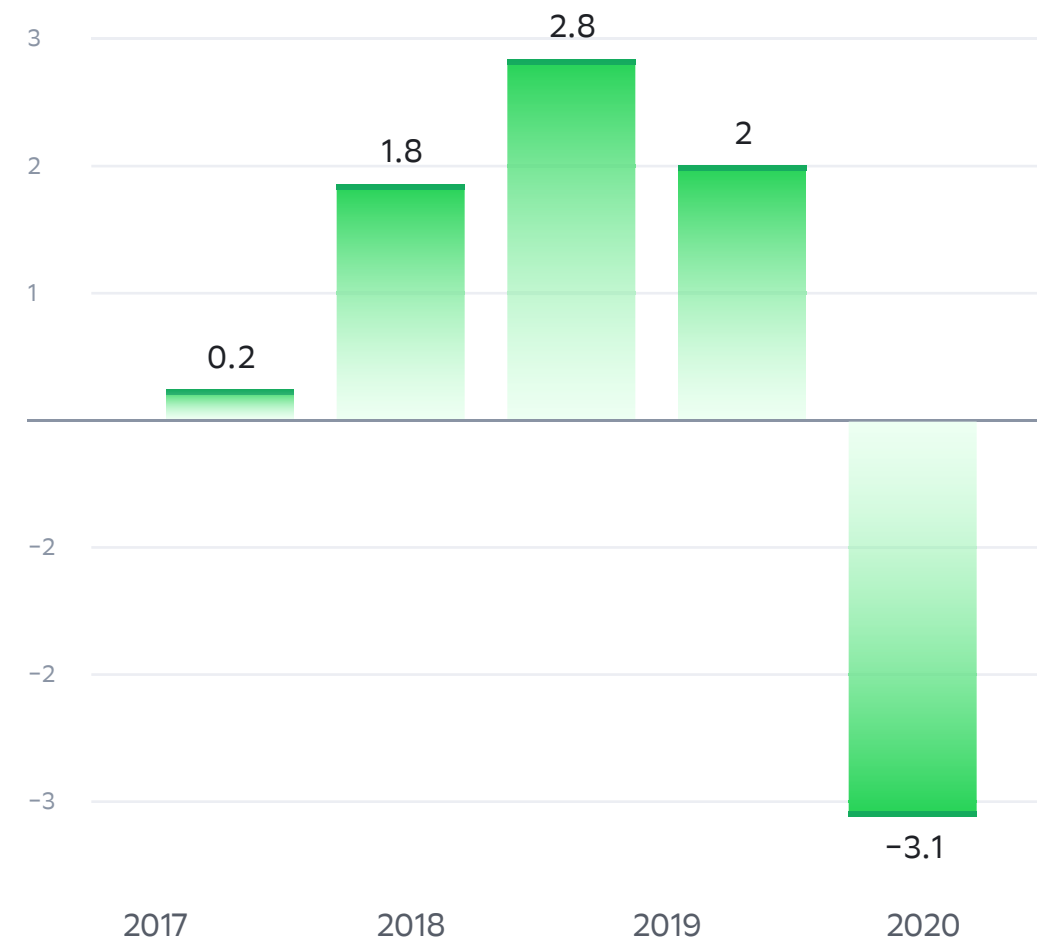
High uncertainty about the further development of the situation also constrained investment. The effects of falling consumption and investment were partly offset by a weakening ruble and, consequently, a faster reduction in imports. In terms of industries, the services sector suffered the hardest from the restrictions. Despite this, it was the industrial sector that had the biggest negative impact on the GDP dynamic, primarily due to the OPEC+ agreement to limit oil production. To support the economy, the anti-crisis program was implemented providing aid to business and the population for a total amount of over 4.5% of GDP (according to MinFin). A focus was placed on small and medium-sized businesses which were hit the hardest by the pandemic. In particular, the government wrote off insurance and tax contributions of companies for the second quarter, reduced insurance contributions from 30% to 15%, provided preferential lending programs. Easing monetary policy also limited the negative effect of the introduced measures to fight the pandemic: during the year, the Bank of Russia gradually reduced the key rate from 6.25% to 4.25%. In addition, the regulator revised neutral key rate range to 5–6% from 6–7%.

A strong decline in aggregate demand slowed prices significantly during the summer months. At the same time, the ruble weakening, high demand for essential goods and temporary difficulties with individual food products put upward pressures on prices in the spring and at the end of the year. As a result, the inflation rate increased from 3% in 2019 to 4.9% in 2020.

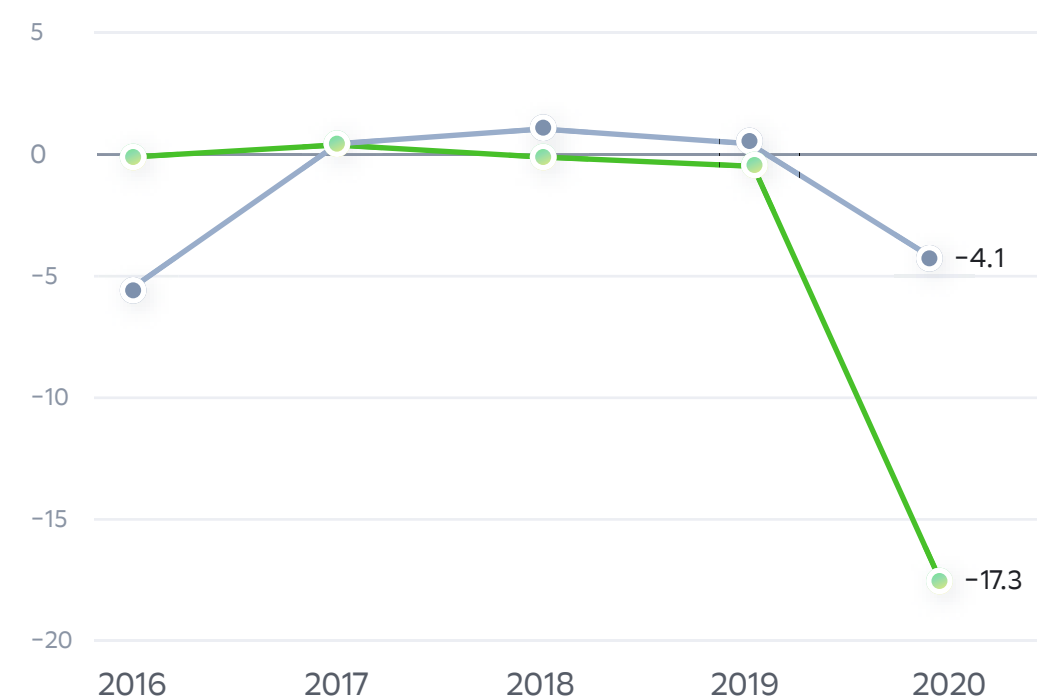
The volatility of the ruble exchange rate intensified amid a high level of uncertainty about the consequences of the pandemic, the deterioration in the oil market and the growth of geopolitical risks. In 2020, the average exchange rate was RUB 72.2 per US dollar against RUB 64.7 a year earlier.

GDP growth

(Rosstat data, % y-o-y)



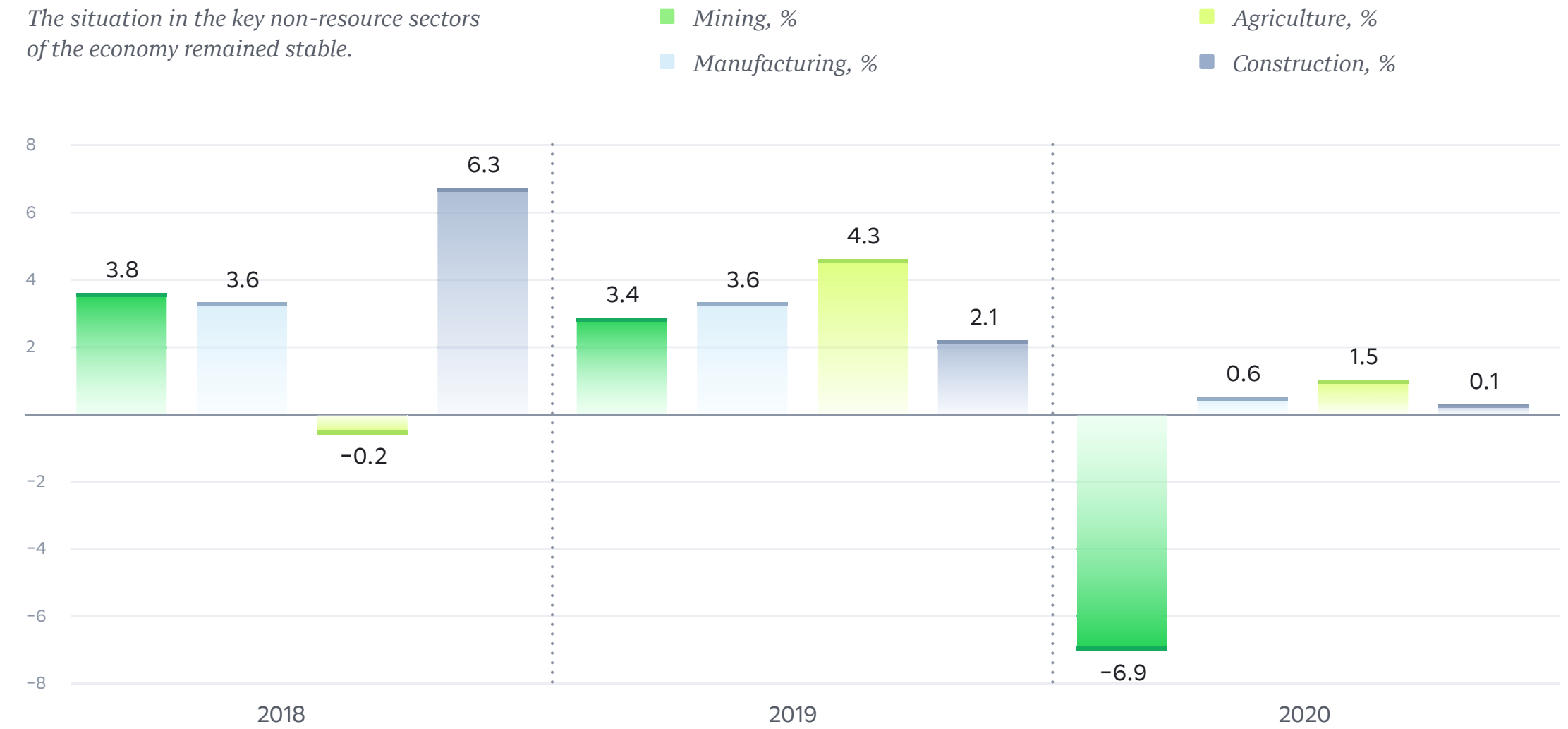
Consumer activity decreased



■ Retail turnover, %
■ Share of paid services in the retail segment, %

Basic sectors of the economy

The situation in the key non-resource sectors of the economy remained stable.



Oil prices went down, with the average price of Urals crude oil in 2020 hitting USD 41.8 per barrel against USD 64.3 in 2019.

In 2021, the economic growth can accelerate to 3%. The key driver will be private consumption, while net exports and government spending will constrain growth.

Inflation is expected to have gradually slowed down by the end of the year against the backdrop of the ruble strengthening, the base effect and weak demand in the first half of the year. Monetary policy will remain loose offsetting the effects of tightening fiscal and macroprudential policies.

RUSSIA'S BANKING SECTOR

In 2020, a key area of focus of the Bank of Russia was to provide support for the economy and the banking sector amid the COVID-19 pandemic.

The procedure for calculating provisions for loans to borrowers affected by the pandemic was temporarily changed, which enabled credit organizations to maintain capital adequacy, while increasing lending against the backdrop of a temporary decline in the quality of the loan portfolio. In Q2 and Q3 2020, the Bank of Russia significantly reduced the key rate boosting both corporate and retail lending.

A further growth in loan demand in the retail segment was driven by a state mortgage subsidy program providing an interest rate of 6.5%.

At the end of 2020, 406 credit institutions operated in Russia, including 366 banks. From the beginning of 2020, 38 credit organizations had their licenses revoked or canceled, and two non-bank credit organizations were issued licenses.

2020 saw bank assets grow by 16.5% (2019: 2.7%).

In 2020, the loan portfolio of the banking system rose by 14.4%, a strong growth rate versus only 7.1% in 2019. Corporate loans showed a positive dynamic with the growth reaching 14.7% (2019: 2.6%), while retail loans saw a slow-down to 13.6% from 18.5% in 2019.

The level of credit risks in the banking system slightly worsened in 2020. Overdue loans rose from 6.2% to 6.3%, driven mostly by the retail loan portfolio where overdues increased from 4.3% to 4.7%. The same indicator for the corporate loan portfolio remained flat at 7.1%.

Bank provisions in 2020 demonstrated a 27.7% growth compared to the decline of 1.6% year-on-year. The loan loss provisions to loan portfolio ratio rose from 13.1% to 14.6% during the year.

Banks' investments in securities increased by 32.1% in 2020.

Funds due to legal entities, including budget funds raised by banks, went up by 20.1% in 2020 (2019: +4.8%). At the same time, budget funds for this period continued to grow versus 2019: 8.9% versus 6.8%.

Retail deposits grew by 11.3% against the 7.3% growth a year earlier. Funds due to the Bank of Russia increased by 46.8% against a decrease of 6.0% a year earlier.

In 2020, the profits of credit institutions totaled RUB 1,608 bn, a decline of only RUB 107 bn (6.2%) versus 2019.

+14.7%

Corporate loans

+13.6%

Retail loans

+11.3%

Retail deposits

1,608 BN RUB

Profits of the banking system

SBERBANK'S POSITION IN THE RUSSIAN MARKET

Sberbank improved its position in all major segments of the financial market of the Russian Federation.

Share of PJSC Sberbank in key segments of the Russian financial market, %



MACROECONOMIC AND BANKING SECTOR FORECAST FOR 2021

The baseline scenario for 2021 involves oil price stabilization at USD 55 per barrel of Urals blend. According to this scenario, the economic growth is expected to be 3.0%, the average US dollar exchange rate RUB 71.9, year-end inflation 3.8%, the Bank of Russia's rate at the end of the year 4.25%.

Retail lending (including mortgages) will remain a key driver for the sector growth, however, as the market becomes saturated, the growth rate will slow down versus 2020. Overall, the growth of the banking system will become more balanced as broken down by market segments, which, in the absence of external shocks, will help minimize risks and maintain the high level of stability achieved in the financial industry.

NOMINAL GROWTH RATE IN 2021	CORPORATE LOANS	RETAIL LOANS	CORPORATE DEPOSITS	RETAIL DEPOSITS
Sector	7–9%	13–15%	10–12%	6–8%
SberBank	In line with the sector	In line with the sector	Better than the sector	In line with the sector

Guidance 2021¹

Efficiency

Financial business Cost to income Ratio (CIR)

> Stable y-o-y

Group OPEX growth

> ~10%

NIM average

> ~0.5_{P.P.} ↓

Net Fees & Commissions Growth

> ~10%

Profitability

Revenue from non-financial digital companies attributable to Sber

> ×2_{Y-O-Y}

Cost of Risk

> 120–140_{BPS}

ROE

> >18%

Capital

CET 1 CAR under Basel 3.5 for the Group

> 13.5–14.0%



¹ As of 04.03.2021

Mission and Values

AT THE CORE OF SBER'S CULTURE IS OUR MISSION AND VALUES

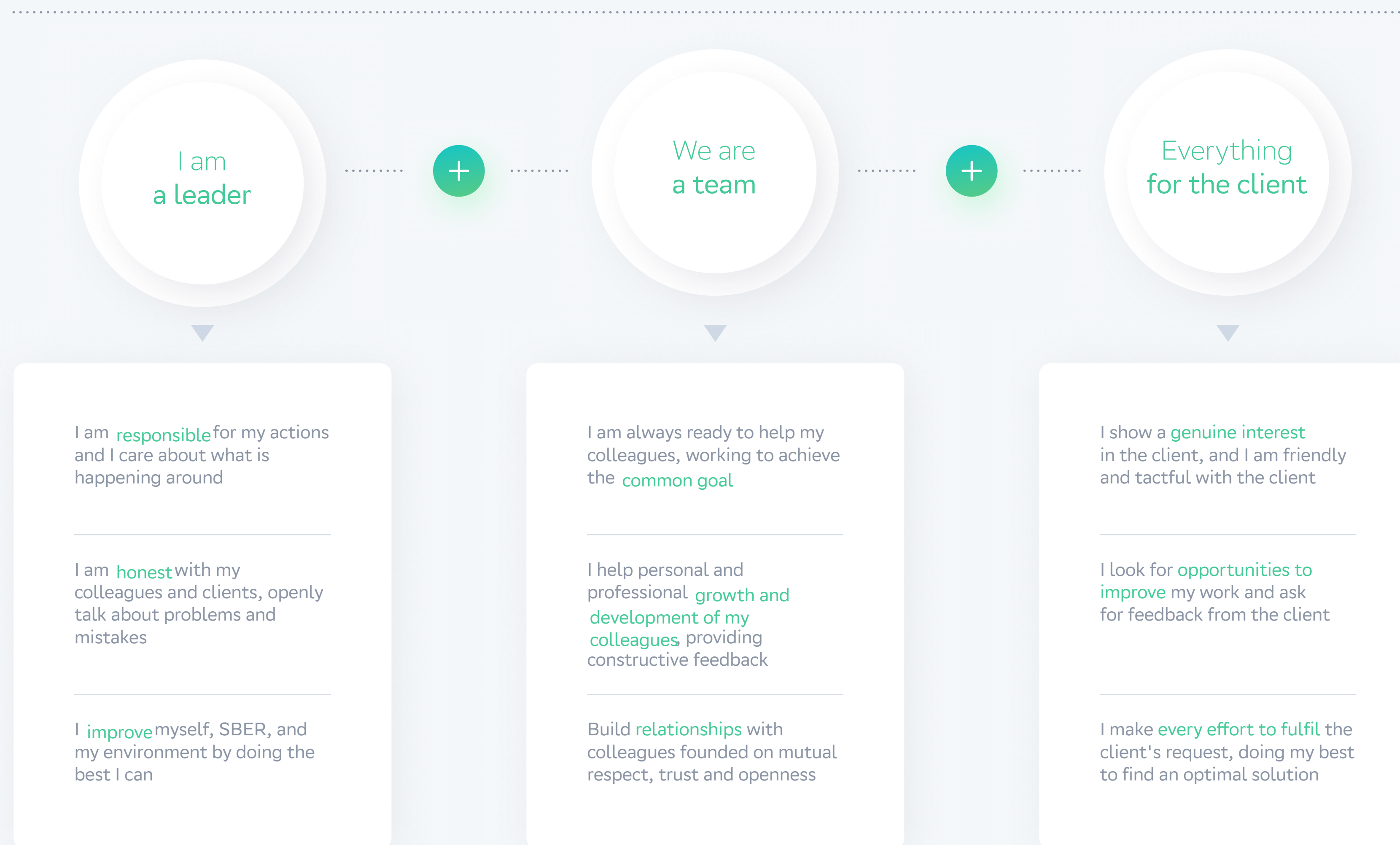
Mission

We give people confidence and security, and we make their lives better by helping their dreams and aspirations come true.

The values are reflected in our every action on a daily basis.

5+

Compliance with the values is regularly rated as part of the 5+ process, rewarded (awards) and taken into account in staff-related decisions (career promotions / salary reviews, etc.) along with employee performance



Status of Strategy 2020

BEST CLIENT EXPERIENCE AND ECOSYSTEM

Retail clients

- Leading position in the banking market
- Sber is an example of the fastest digitalization in the financial industry. SberBank the number of active retail clients approached 99 million
- Young people are the fastest-growing customer segment, the share of which exceeded 70%
- SberBank Online is among the top 3 mobile applications by monthly audience in Russia
- Sber transformed the cashless lifestyle in Russia: the largest network of POS terminals in Russia; new functionality:
 - proprietary SberPay wallet technology for merchant and Internet acquiring
 - contactless payments with a smartphone
- The largest ecosystem for P2P remittances in Russia
- Sber introduced a system for fare payment in transport with a card or a smartphone. More than 140 cities use transport acquiring from Sber
- Sber restructured the development of investment products available to both mass-market and wealthy clients

Our results

- 98.9 mn of active retail clients against 89.6 mn as of December 2017, + 10%
- Market shares: 54% in mortgage loans, 42% in retail loans, 45% in retail deposits
- 66.2% in sales of consumer loans through digital channels against 25% (December 2017)
- 45.6% in sales of mortgage loans through digital channels against 10.3% (December 2017)
- MAU Digital (App + Web + SMS): 73 mln people against 50.2 mn people as of December 2017
- DAU of the mobile application reached 32.4 mn people (as of December 2020) against 10 mn people (as of December 2017)
- DAU/MAU was 49.5%
- DAU/MAU digital—47% as of December 2020; was 33.9% (as of December 2017)
- Since 2019, №3 in the world and №4 in Europe among the largest acquirers, №1 in the transport acquiring market (Nilson report)
- Number of active debit cards: 123.1 mn (as of December 2020) against 102.4 mn (as of December 2017), + 18%
- Number of ecosystem partners that participate in transfers to and/or from SberBank across Russia reached 14
- 3.5 mn retail brokerage accounts
- 1.6 mn individual investment accounts
- Client assets on brokerage and individual investment accounts increased over 3 year from RUB 0.38 tn to RUB 1.86 tn

Corporate clients

- The bank of choice: every 2nd small business opens an account with Sber
- “My Business” service is available in the country's perimeter
- 32.2% credit market share
- Faster service—saved time for clients:
 - Payments in 1 sec 24/7
 - Large and medium-sized businesses: 45% of short-term loans are provided within 7 minutes
 - Small and micro businesses: >25% of loans are extended online and it takes from 3 minutes
- We act as a partner on digitalization of the state at the regional and federal levels:
 - >1000 transactions with Ecosystem products
 - 15 digitalization projects at the federal and regional levels
- The best bank for payments and collection and the most innovative bank in Central and Eastern Europe according to Global Finance
- Top 5 mobile banks for business and best digital service for large business according to Markwebb

Our results

- >2.7 mn corporate clients
- >900 thsd new active clients over 3 years
- >277 thsd self-employed persons
- Every third SME client has a loan with SberBank
- 11% part of remote business registration via Sber service
- No. 1 in the foreign trade market: 16.9%—share of the Russian foreign trade turnover market
- 2.3 mn users use SberBusiness online platform every month
- > 1 mn users work with mobile app SberBusiness
- >100 new SberBusinessAPI integrations
- 119 ecosystem products and services for corporate clients
- ESG:
 - Served >450,000 companies with limited executive capabilities
 - The adapted version of SberBusiness for the Blind won the Banking Technology Award in the category "Excellence in ensuring equal rights and inclusion"

Status of Strategy 2020

BEST CLIENT EXPERIENCE AND ECOSYSTEM

Non-financial services

Three years ago, Sber initiated a large-scale transformation aimed at developing non-banking services and has already met a

A new brand—Sber—has been launched: it symbolizes the transition from a purely financial business to creation of an ecosystem—a wide range of offers that best meet the needs of our clients

SberPrime subscription gives an easy access to all products and online services of the ecosystem

Access to SberPrime is gained via Sber ID—a single entry point for all services of Sber and partners

Our results

The audience of non-financial services is more than 60 mln per month

The ecosystem is represented by set of sectors, including:

- SberMarket (food delivery from stores), DeliveryClub (food delivery from restaurants), Samokat (food delivery within 15 minutes), Level Kitchen and Performance Food (ready-made healthy meals), etc.
- SberHealth (online doctor consultations), SberEapteka (online pharmacy with delivery)
- Okko (online cinema), SberSound (streaming service), Rambler

- YouDrive (car sharing), CityMobil (taxi), 2GIS (online maps), etc.
- SberLogistics
- DomClick (real estate transactions), SovTekh (real estate maintenance)
- Bi.Zone (cybersecurity), VisionLabs (computer vision and machine learning), SberCloud (cloud storage), SberDisk (pocket cloud for files), STC (Speech Technology Center), Cognitive Pilot (artificial intelligence), etc.

TECHNOLOGICAL LEADERSHIP

- We launched the Digital Platform and started the mass migration of key services and development of new applications
- Over the 3 years of our strategy implementation, the load on and the performance of our IT systems have increased significantly
- We created SberWorks, an integrated development environment, Synapse, a next-generation integration platform, and BootCamp, an IT training center
- We created Data Factory—a corporate analytics and AI platform; data were centralized
- We created Christofari—a supercomputer for processing big data and developing AI initiatives
- We launched 12 laboratories to develop and implement new technologies in Sber’s products and services

Our results

- There was a 7-fold increase in the speed to market for new products
- We reduced the amount of the new code when developing products by more than 50% thanks to the refuse of technological components
- Investments in technology already account for about 20% of Sber’s profits
- The average cost of a transaction has been reduced by more than 2 times
- We created our own internal cloud used to provide more than 90% of the infrastructure to all our developers
- The utilization of existing equipment rose fourfold
- We were the first in the world to launch a whole family of Salute virtual assistants, each having its own character and behavior
- We started to create smart devices specially for our virtual assistants: SberBox set-top box and SberPortal smart display
- We launched SmartMarket—a smart application store

PEOPLE WITH NEW SKILLS IN EFFECTIVE TEAMS

- We continue to enhance employee journey through new skills, hiring IT- and data experts, developing employees and flexible work formats
- The employee composition is shifting towards strategic development of ecosystem. In 2020, we increased number of IT-engineers to 6,400 from 5,450 in 2019; 14 thsd employees joined ecosystem companies.
- We focus on development of tech skills at our employees. We invest in digital skills of our team, over 72 thsd employees were trained modern technologies.
- Our educational content is available on various platforms (“Puls”, Okko, YouTube, VK (>1 mn views since may 2020)).
- Upskilling and reskilling programs are aimed at developing talents internally in Sber and matching positions with requirements for rare skills by internal candidates. Employees are equipped with automated career service tools. 125 thsd of employees already have priority career tracks.
- We keep on increasing efficiency of our processes via AI models.

Our results

- In 2019, Sber was ranked first in Universum 2019, the international ranking of the most attractive employers among students, in the Banks category and fifth in the IT category
- We digitalized more than 80% of all HR processes and services
- We introduced electronic payroll document flow (178 thsd employees switched to online labor track record), which helped to reduce paper usage in HR by 23%.
- 89% of our employees are satisfied with HR services
- The employee engagement index is stable at the level of the world’s most successful companies—75%
- We launched development of own HR-platform, uniting all HR services available to the whole team. Number of users reached 50mn in December 2020.
- 84% of employees say they are proud to work at Sber
- We completed the largest agile transformation in the world that led to 100% of employees of the Central Head Office and many subsidiaries being transferred to Agile. As a result of this transition, the product development time reduced 7-fold. The speed of introduction into commercial operation increased 4-fold
- Labor productivity increased by 20%.

FINANCIAL GOALS AND STRATEGY 2020 RESULTS

	OUR RESULTS			STRATEGY 2020 GOAL
	2018	2019	2020	
Return on equity, %	>20%	>20%	16.1%	20%
Dividends, RUB bn	271	361	422	1000 (over 3 years)

1,055 BN RUB
over 3 years



Strategy 2023

Strategy 2023 is a logical continuation of the strategy that we approved three years ago. In the new strategy, we will give special attention to building a seamless customer experience and creating a unique customer proposition. We don't see our businesses as separate assets, but rather think of them as parts of an integrated business model, the Ecosystem. Our main goal is to become a trusted assistant and navigator in a changing world: for people, businesses, and the state.

*Herman Gref
CEO, Chairman of the Executive
Board of Sberbank*

SBER
IS A UNIVERSE OF
USEFUL SERVICES
FOR LIFE
AND BUSINESS

THE MAIN GOAL OF STRATEGY 2023

Sber is a trusted assistant and navigator in a changing world. It benefits the stable evolution of people, businesses, and the state by building a fully integrated ecosystem.

Sber unites the needs of people, businesses, and the country through technology and its solutions, integrating all its services into a single ecosystem. It organizes general processes (financial, operational, technological, risk management-related, etc.), team management, and culture for ultimate synergies.

For the country

Sber backs the Government to spur economic growth:

- by contributing to people's wealth
- developing SMEs
- advancing digitization
- transforming industries
- backing education and science
- benefiting the environment, and ESG development

The ESG agenda is becoming an important new part of our strategy. We develop green products and responsible financing principles. We continue to implement numerous social and environmental initiatives to contribute to the advance of living standards, small and medium-sized businesses in our country.

We support marketplaces and tools that are beneficial to both corporate and retail clients. E-commerce will be one of those platforms.

To create a new business model, we will continue to invest in the development of technology and the development of our people

For business

Sber is a partner to maintain businesses and help them grow, by boosting revenues, cutting costs, protecting against risks, and aiding their digitization.

For people

Sber is an assistant and navigator helping optimize funds, time, and energy.

AMBITIONS OF STRATEGY 2023



Non-financial services revenue growth of over 100% annually



Discipline in cost and risk management



Top-3 on the e-commerce market

50%

Dividend payout

>17%

ROE

>12.5%

Basic CET 1 CAR adequacy
Common Equity Tier 1

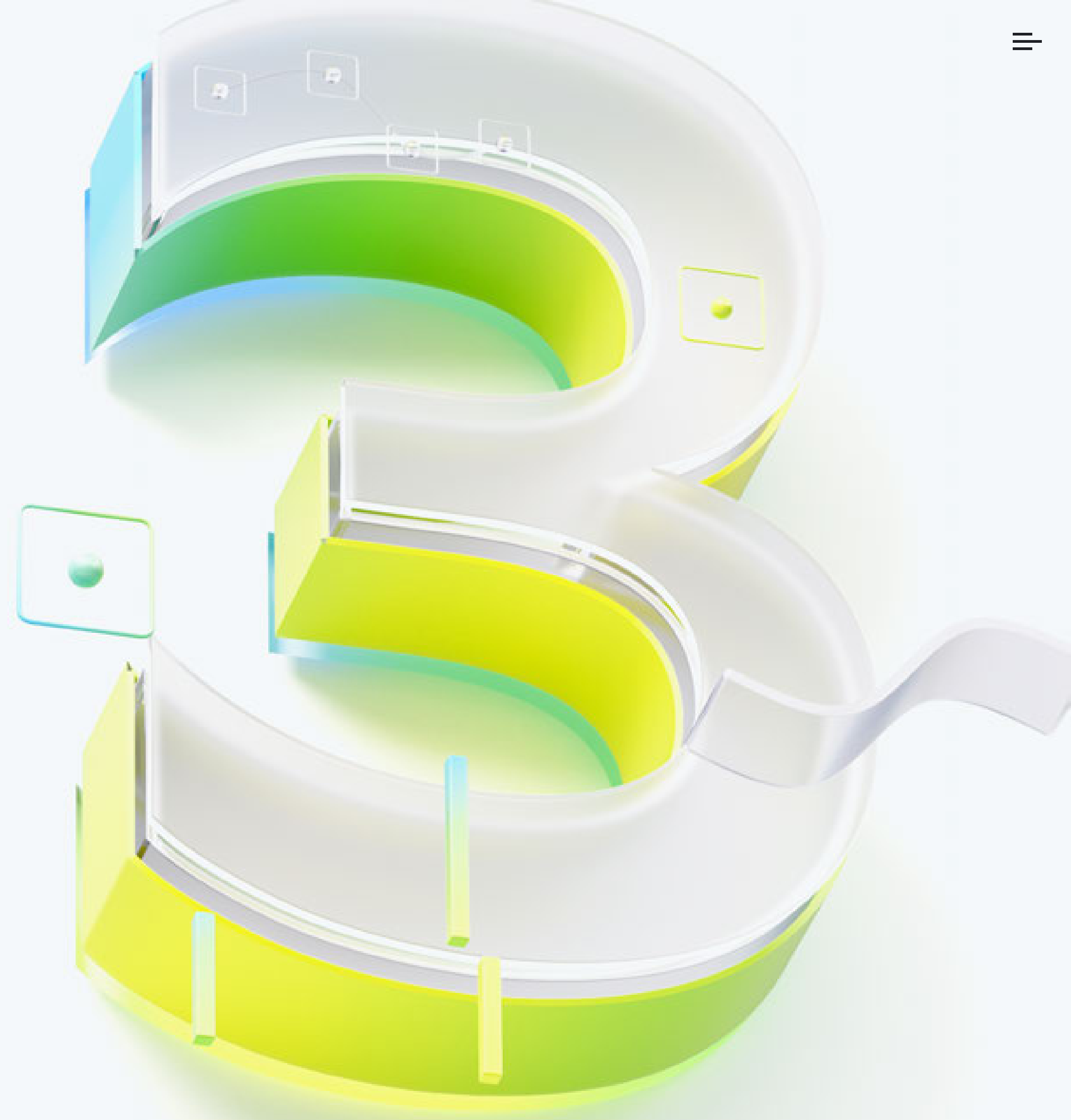
We are grateful to our clients, employees, and shareholders!

Together we are successfully dealing with modern challenges, confirming the correctness of our chosen directions of development. We have made sure that our technology allows us to adapt quickly to new conditions, launch new formats of products and services, making life easier for our customers. This inspires our team to do even more in the next three years.

Overview

38	Best Client Experience and Ecosystem
38	Retail Business
49	Wealth Management
55	Corporate and Investment Business
68	Sales Network Development
74	Non-Financial Business

81	Technological Platform
83	Data, Infrastructure, Cloud Services
84	Application of Artificial Intelligence
85	Innovations
87	Accelerators



BEST CLIENT EXPERIENCE AND ECOSYSTEM

Retail Business

CLIENTS

Sber seeks to offer each client the most suitable banking and non-banking products, provide the best service and guarantee maximum security. The key direction of the bank's development is ensuring seamless experience for the client as they change their status in life.

Sber continues to expand its retail client base, with a focus on the younger generation. Over the year, the number of clients in this segment increased by 6%. At the end of 2020, 784 thsd students were receiving study allowances through Sber.

In 2020, it was especially important to provide clients with the opportunity to receive all banking services online in order to reduce personal contacts in the pandemic. And now via SberBank Online, both the web version and mobile application, one can get almost all the services that are provided in offices.

In 2020, all corporate clients and individual entrepreneurs were able to remotely join the payroll card program via SberBusiness Online, with applications registered automatically in one minute.

Sber offered retail clients a tool allowing them to connect their current card to the employer's payroll card program using the SberBank Online mobile application, without issuing a new card. The card is given the salary status as soon as the first amount of money is credited to the card account from the employer. This service was in particularly high demand during the COVID-19 pandemic.

Sber continues to improve the client journey as far as retirement is concerned. Now, senior clients receive useful information about the new soon-to- retire status five years before the retirement: they find out what benefits they are entitled to and how those benefits can be received, as well as how to get the funded component of their pension before retirement. Pensioners can now easily transfer their pension to Sberbank without additional visits to the Pension Fund of Russia not only through SberBank Online, but also at Sber's offices using a new service of electronic pension transfer.

Sber continues to expand the line of public sector services. In 2020, integration was carried out with the Digital Profile service of the Gosuslugi portal, allowing non-salary clients to confirm their income via the web version of SberBank Online using an electronic statement from the Pension Fund of Russia without visiting the offices and paper certificates. Also, early repayment of restructured loans (mortgages, consumer loans, credit cards) and the insurance designer for the selection of insurance products tailored to the client's needs are available via digital channels.

In 2020, new services were offered – push notifications of new traffic police fines and a repeated reminder of the discount the day before its expiry. This way, users receive timely notifications of new fines and do not miss a 50% discount on paying the fines. The bank also introduced a subscription to push notifications of a vehicle impoundment in Moscow, informing about the fact of the car impoundment, where and how to get it and pay the impoundment fee with a 25% discount.

In 2020, Sber introduced a family of its own voice assistants who interact with customers both via the bank's mobile application and via SberBox and SberPortal. At the end of 2020, 89 information and reference bank scenarios and 20 integration scenarios were assigned to the assistants. The most popular requests include a transfer to a Sberbank client by phone number, a request for a card balance and payment of mobile bills.

The chatbot makes it possible to automatically address the customer's issue in 65% of cases. It is available to clients through three channels: the mobile application and the web version of Sberbank Online, the bank's website. The bot is based on the AI technology for recognizing the topic of a client question to run the suitable service scenario.

SberProfile is a single repository of client data enabling to aggregate all available data from all systems that go far beyond the financial profile. Based on this information, artificial intelligence models the client's preferences at each stage of their journey and issues an optimal offer of a product from the Sber ecosystem (Next Best Action).

Such personalized offers and an individual approach to each client boosted Sber's sales in 2020, set to bring RUB 75 bn over the product life.

98.9_{MN}

active retail clients

>75%

of salary contracts are made electronically, and clients can access them within a minute after the execution

CLIENTS

Service quality

The Bank continues to maintain high standards of quality and speed of dealing with client issues through automation: more than half of complaints are considered in two days and over 70% in five days.

An important aspect of SberBank's work is the improvement of service quality. Over the year, Sber implemented 350 measures to eliminate the root causes of client complaints, which reduced the number of queries by 20%. In just a year, thanks to various improvements, the total number of complaints related to the digital platform decreased by ~28% to 42.1 thousand queries by the end of the year, and the total number of consultations by ~32% to 574 thousand by the end of the year.

Sber's customers evaluate the quality of work of branch employees, the call center, chat, direct sales specialists, as well as key bank products, including cards, loans, payments and transfers, etc. Over the year, the bank received 4.6 million responses with feedback from clients.

The efforts made by the Sberbank team to support the population during the coronavirus pandemic, as well as the implementation of measures to improve services and products for customers, contributed to the maintenance of customer satisfaction scores at a high level in 2020.

9.5

NPS-willingness to recommend SberBank to friends and acquaintances

9.5

Customer Satisfaction Index (CSI) 2019: 9.5

Awards



Gold winner for Personalized Client Experience



Gold winner in the **Customer Service Team of the Year** category for the transformation of the classical system of quality management in a bank contact center into a smart system based on artificial intelligence.



Gold winner in the **Human Resources Team of the Year** category for comprehensively addressing stress factors faced by employees of the Contact Center of the Retail Block.

CHANNELS

SberBank Online

Sberbank Online has a web version and is also available as a mobile application. The audience of the mobile application significantly increased during the year, with 32 million people using it every day.

Sberbank Online mobile application:

65 MN

+19%

MAU

32 MN

+31%

DAU

In 2020, a great number of new services were launched in the Sberbank Online mobile application, such as own payment tool SberPay, Cybersecurity Office, credit potential calculation, personal finance planning and control services and much more.

An entirely new web version of Sberbank Online offers users not only a new modern design, but also a diverse new functionality, including smart search, a catalog with offers of the Sber ecosystem, loan refinancing.

The Next Best Action recommendation engine was introduced to the web version of Sberbank Online, the line of products on offer was expanded. The Sberbank Online mobile application displays offerings of ecosystem products.

26 products available in the bank's offices are offered through Sberbank Online based on the Next Best Action recommendation engine. The conversion rate of the recommendation engine reached 15%.



CHANNELS

SberBank Online

The Sberbank Online mobile application is a key driver of growth in the digital audience of SberBank. Shares of audiences of various SberBank digital channels

December 2018



■ Apps 72%
■ @900 38%
■ Web 23%

Total MAU 58.6

December 2019



■ Apps 83%
■ @900 27%
■ Web 14%

Total MAU 65.7

December 2020



■ Apps 89%
■ @900 19%
■ Web 11%

Total MAU 73.0

Clients get increasingly attracted by the Sberbank Online mobile application as the functionality expands and services become more convenient. The ratio of daily active users to monthly active users (DAU/MAU) increased by 4.5 pps to 49.6%.

The Sberbank Online mobile application was #3 in the App Annie rating among mobile applications by the number of active users per month.

The rating of the application in app stores remains consistently high: Google Play—4.7 stars, App Store—4.8 stars.

4.76

Customer Satisfaction Index (CSI) for the SberBank Online mobile application and web version

Sberbank Online – awards in 2020



Winner

Winner in two categories—Finance&Business and Brand's Application

RETAIL BANKER
INTERNATIONAL

Excellence in Customer Centricity Award for a project to personalize customer experience in Sberbank Online



Winner

Winner in the Most Innovative Digital Bank in Russia category



Winner

Winner in the Mobile Application of the Year category



2nd place

#2 for the convenience of bank applications for retail clients

GO BANKING
//2020

The key award of the rating

Best Mobile bank



reddot design award

Winner

Winner in the Communication Design

CHANNELS

SberPrime subscription

In line with the existing trend, major global ecosystems combine their multi-sector transactional services into package offers and provide access to them by subscription.

This technology more effectively introduces users to the capabilities of services ensuring a loyal and active user base.

Users can subscribe to the SberPrime service through digital (ecosystem site Sber.ru, SberBank Online) and offline channels of the bank, with the digital channels accounting for 72% of total subscriptions.



Following the global trends, Sber launched its subscription service SberPrime having more than 407 thousand active users at the end of 2020.

For half of the clients who bought the subscription, SberPrime became the entry point to the Sber ecosystem, as they had not previously used the ecosystem services.

SberPrime subscription is a set of deals on popular products and services of the Sber ecosystem. It provides discounts and privileges on the following platforms:

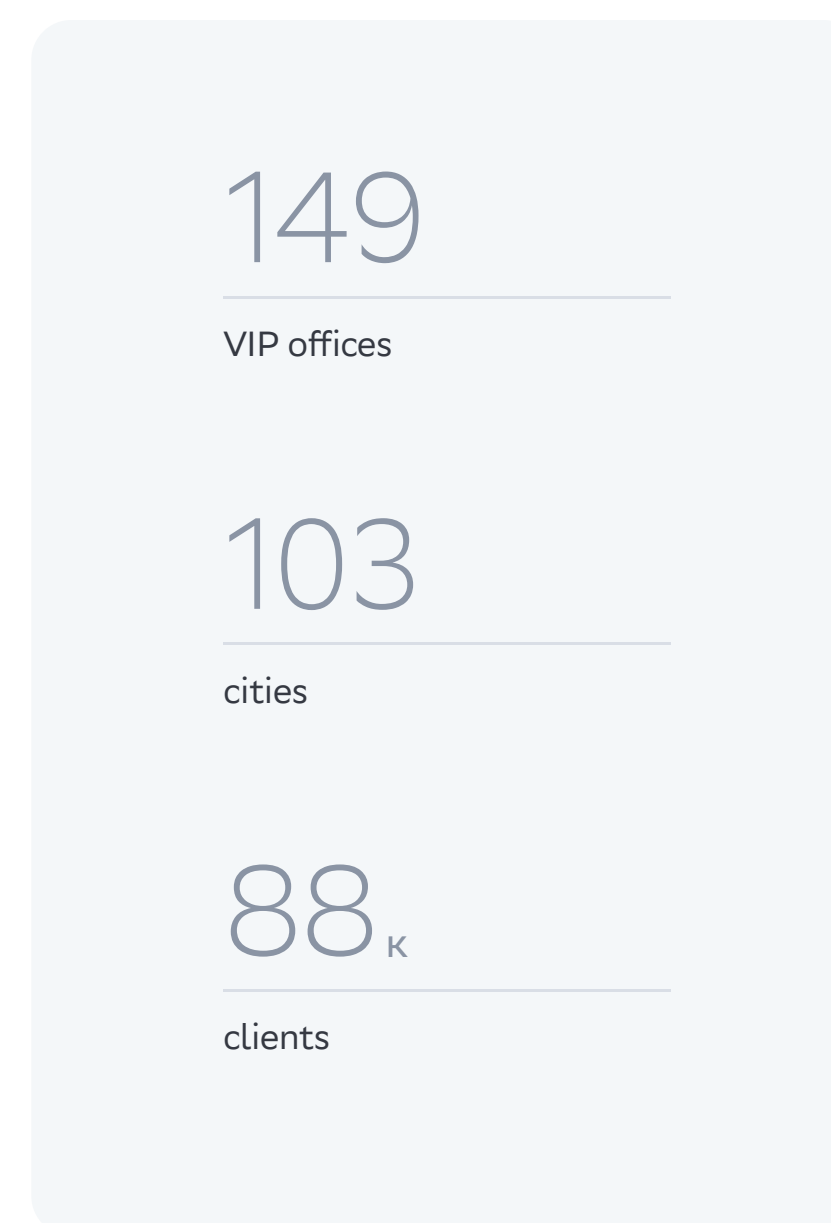
- Okko
online cinema
- SberSound
music streaming service
- Delivery Club
food delivery from restaurants and cafes
- SberMobile
mobile service
- SberMarket
food delivery
- Citymobil
taxi
- SberDisk
cloud service
- Samokat
express food delivery
- SberEapteka
delivery of medicines and cosmetics

SberFirst, a channel for premium segment clients

Services offered by the SberBank Online mobile application have been tailored to the needs of SberFirst clients. Over the year, the number of clients served only through online channels increased by 35%, and the number of clients who also did not withdraw cash from ATMs rose by 86%.

SberFirst enhanced the operational risk management system with new tools, with critical operations now controlled online by 28 algorithms.

Thanks to the use of AI models, more than 2,000 clients were additionally attracted.



PRODUCTS

Loans

Retail loan portfolio, Sber Group, IFRS, RUB billion

	WITH DENIZBANK DECONSOLIDATED					
	31.12.2015	31.12.2016	31.12.2017	31.12.2018	31.12.2019	31.12.2020
Retail loan portfolio	4,966	5,032	5,399	6,751	7,884	9,308
Mortgages	2,555	2,751	3,132	3,851	4,291	5,219
Consumer loans	1,682	1,574	1,575	2,113	2,658	3,108
Credit cards and overdraft	587	587	572	658	794	829
Car loans	142	120	120	130	141	152

Lending technologies

Sber's lending process is among the most technologically sophisticated globally. Currently, the bank already issues 94% loans without any certificates, and 97% applications for loans are considered in a fully automated mode within two minutes.

SberBank continues to develop the Credit Potential service, which allows the client to learn available credit limits for Sber products online before submitting a loan application. In 2020, the service added the calculation of limits on mortgages and online purchases in addition to calculations related to consumer loans, refinancing, credit cards and Cetelem Bank car loans.

42.3%

Sber is the leader of the retail lending market

×5

Through the Credit Potential service, 537 thousand loans were issued for a total of RUB136 bn in 2020, which is 5 times higher than in 2019.

Mortgages

SberBank is a major player in the Russian mortgage market:

54%

share in mortgages

2.1 TRN RUB

issued mortgages in 2020

7.5%

the average mortgage rate offered by SberBank decreased 1.5 pps over the year

In 2020, the time for making a decision on a mortgage application significantly reduced—to an average of 2.5 hours. 80% of clients receive a decision on their application within 10 minutes. The time for approving a property reduced threefold to two days. The waiting time for the answer to the client's call decreased to 10 minutes.

Thanks to the new technology Transaction Factory and the around-the-clock operation, the bank managed to maintain a high level of client service, despite the pandemic and lockdown measures.

PRODUCTS

DomClick platform

Sber's real estate platform



№1

in Russia by the number of advertisements for the sale of apartments in the secondary market

Currently, over 90% of transactions are made using the Electronic Registration and Secure Settlement Service services enabling to register a transaction remotely, without visiting a multifunctional service center, and carry out settlements between the parties to the transaction.

The audience of the DomClick magazine, where articles and news about real estate are posted, exceeded 1 million users per month.

In 2020, DomClick offered its clients new opportunities, including banner advertising, filing an application for the use of maternal capital, which became possible after the integration of DomClick and the Pension Fund of Russia systems, the first free service in Russia for shooting a 360° panorama for sale and rental advertisements. Real estate items are approved with the assistance of a robot lawyer taking just several minutes.

top 3

is among the top 3 real estate platforms in Russia

12_{MN}

has a monthly audience of 12 million users (a 3x growth)

50%

of mortgage applications in Russia are submitted online via the DomClick platform

900_K

thousand calls are made to the sellers of properties per month (4x increase) with subsequent communication

Consumer loans

Stable interest rates, incentives, improved product terms and conditions and service development helped the bank significantly increase the issuance and reach a high growth rate of the loan portfolio.

During the year, the bank conducted a number of campaigns offering reduced rates following the decrease in the key rate. For instance, the interest rate on the Educational Loan with state support decreased to 3%, and the term increased from 10 to 15 years. Versus the previous year, the number of issued educational loans grew threefold.

2.1_{TN RUB}

in consumer loans issued

×3

growth in the number of issued educational loans

In 2020, numerous services were implemented:

- possibility of issuing loans to a new segment – the self-employed
- products/services launched in Sberbank Online:
 - consumer loan for refinancing: the client can receive a loan without certificates and visiting the offices. After launch, the number of applications for the product increased 10x
 - change of a deposit/card account from which the loan is repaid
 - partial prepayment of a loan with a change in the loan term or payment amount
 - change of the monthly payment date to a more convenient one
- the service of skipping the first payment on new loans

Credit cards

Sberbank holds a leading position in the credit card market. Over the year, the loan debt related to Sberbank credit cards grew by 3.6%. In 2020, Sber was focused on launching a single product line and developing digital services.

Choosing a credit card in the SberBank Online mobile application has become easier thanks to a special model that analyzes the client's profile and offers the most suitable product. The client knows exactly when they can submit their next application if the previous one was rejected.

A digital credit card is a new product in the line available to clients who received a pre-approved offer from the bank. 2020 saw over 258 thousand clients use this product. This card can be issued via Sberbank Online within a minute, and one can make a deposit to their card account from other cards and accounts.

45.5%

share of Sberbank in the Russian credit card market

15_{MN}

active credit cards

PRODUCTS

POS loans

point-of-sale lending

The bank is actively developing POS lending through the Buy with Sber service. During the period of restrictive measures in 2020, an innovative process of lending through POS terminals was launched, with more than 10 thousand companies already being partners of the program.

The bank continues to develop lending for purchases in online stores. SberBank Online has added a new section Installment Purchases, which contains unique offers from partner stores allowing clients to purchase goods and services without a down payment and overpayment. The list of such offers is constantly expanding. Over 13 thousand partners have entered into a cooperation agreement with the bank.

Car loans

The bank actively promoted car loan sales via Sberbank Online.

During the lockdown period due to COVID-19, special links to Car Loans via SberBank Online were posted on the websites of dealerships and automakers, using which the client could receive a decision on a loan application remotely. In addition, in order to facilitate the procedure for considering the application in dealerships, QR codes with pre-filled loan parameters were placed on cars. For some brands, a new procedure for remote issuance of a loan was launched with the subsequent registration of the pledge by the client in SberBank Online. To promote its ESG approach in 2020, the bank launched a special product with a reduced rate for electric vehicles.

TRANSACTION BUSINESS

Developing a cashless world

	2016	2017	2018	2019	2020
Share of non-cash retail transactions, %	50.8	58.7	64.0	68.0	71.0

Sberbank continues to pursue the strategy for development of cashless payments and actively implements projects in this area.

The bank card has become the most popular payment tool in public transport in Russian regions—today more than half of passengers in the cities where Sber's transport acquiring has been introduced pay for travel with a bank card, and this share doubled over 2020.

Payment by bank card in public transport is already available in 140 cities.

Sberbank continues to develop social projects. Payment for travel on preferential terms using a bank card is available in 23 cities. Kaliningrad was the first region to introduce the innovative and socially significant product Social Account allowing residents entitled to benefits to make cashless payments for certain goods in the region's retail chains at the expense of funds received to the Social Account in the form of social aid from the state. Thus, the region's government is able to monitor the targeted use of Social Account funds. In the future, it is planned to expand the number of participating regions. The cash advance service with a simultaneous purchase has become available in 5.2 thousand retail and service outlets. The service is especially relevant in remote regions.

Exchange transactions

2020 saw the use of batch exchange rates for card-to-card transfers advance in the SberBank Online mobile application offering clients more attractive rates versus cash transactions in offices.

SberBank Online is gradually implementing differentiated rates depending on a transaction amount. Visualization of the information about the rates in the mobile application was improved with the rates displayed for 11 currencies in which one can open a savings account. This made the cashless purchase of currency in SberBank Online more convenient and attractive for clients.

85%

+5 p. p.

share of non-cash conversion transactions of individuals

Payments

SberBank Online continues to improve the payment process. My Operations service, which helps pay for regular services without re-entering payment details, is gaining popularity: 1.5 times more payments were made through Sberbank Online y-o-y in December.

Public services at multifunctional service centers are paid for through the cashless payment service of Sberbank in 77 Russian cities.

SberBank continues to develop the service of cashless payment of duties in multifunctional service centers immediately at the time of issuing documents.

International payments became more convenient with the option of cashless top-ups for mobile phones for 19 mobile operators in Tajikistan, Uzbekistan, Kazakhstan and Kyrgyzstan via SberBank Online and self-service terminals.



WORLD'S BEST DIGITAL AWARDS 2020
Sberbank's payment and transfer services are the best in the world in the Best Bill Payment&Presentment nomination from Global Finance



BANKING TECHNOLOGY AWARDS
The new model of billing for transfers was recognized as the best IT solution in retail banking in the Best Use of IT in Retail Banking nomination

TRANSACTION BUSINESS

Transfers

Sberbank completed the transition to a new fee model for transfers within the bank. At the end of 2020, the new fees helped significantly reduce the number of clients having to deal with a transfer commission as almost 90% of clients made transfers of no more than RUB 50 thousand per month, a monthly free limit. Active users appreciated the convenience of a new subscription service for transfers in SberBank Online.

In 2020, about 3.6 million clients took advantage of the subscriptions to make transfers. Customized tariffs thanks to flexible subscriptions made all transfers within the bank for any amounts free of charge.

Since 2020, any client can track their SWIFT transfer via Sberbank Online and contact a foreign bank for free to ask for the status, details or cancel the transfer through the mobile application interface. This innovation resulted in a 10% reduction in the number of client requests relating to the search for or confirmation of an overseas payment.

During 2020, 23 new partners joined the Sberbank's system of instant international transfers for individuals with their total number reaching 29.



The client can transfer money abroad to a card by phone number to 8 nearest countries:

- Armenia
- Azerbaijan
- Tajikistan
- Uzbekistan
- Kyrgyzstan
- Belarus
- Kazakhstan
- Transnistria

Instant transfers are also being advanced within Russia. 2020 saw new partners, including Home Credit Bank, MTS-Bank (ATMs) and Alfa-Bank, join the system. The total number of instant transfer partners of Sber in Russia reached 14.

In May 2020, the P2P service of individuals' transfers through the Quick Payments System became available to Sberbank clients.

Acquiring



#3 among the largest acquirers globally according to the Nilson Report for 2019 (#6 in 2017 and #5 in 2018)

	2017	2018	2019	2020
Number of active retail and service outlets, thousand	931	1,162	1,339	1,425
Number of POS terminals ¹ in the acquiring network, thousand	1,381	1,683	1,956	2,187

In 2020, Sber launched an innovative service for online payments SberPay. The key advantage of the service is speed of payment which is completed in three touches.

There is no need to specify card details, nor code from a text message or check if there is enough funds to complete a purchase. An outstanding balance and purchase amount can be seen via the SberBank Online application. SberPay allows clients to choose a card with enough funds or bonuses to complete the transaction. This is aimed at simplifying payment transaction and improving client experience. The majority of companies of Sber ecosystem accept payments through SberPay.

>2.2 MN

constituted the audience of active users of SberPay at the end of the year

SberBank actively develops “QR Pay” service. At the end of 2020, over 273 thousand retail and service outlets accepted SberBank QR-payments.

“QR Pay” allows to accept payments through mobile applications of SberBank and Tinkoff. Entrepreneurs who are clients of SberBank can start using the service through SberBusiness without a visit to the Bank. No additional equipment is required, while fees charged on QR service are lower than fees for traditional acquiring. Also the client's QR-code scenario became available to partners.

The largest retail chains, such as Lenta, O'KEY, Globus and Spar, are already accepting payment by scanning the customer's QR code from the Sberbank Online mobile application. In addition, all owners of Evotor smart card can connect the service of accepting payment using QR. At the end of 2020 more than 100 thousand smart cash registers could accept payment by reading the QR of the buyer or by providing QR on the screen of a smart cash register.

Sber launched “Take&Go” service alongside VISA and Azbuka Vkusa – shopping without tellers and queues. A customer needs to launch “Take&Go” application and link a card of any bank, use the shopping application “Take&Go”, scan QR-code at a turnstile, select goods and leave. Intellectual computer vision system constantly monitors goods at shelves to collect to a virtual cart all selected products and automatically debit customer's account.

¹ POS terminals are hardware, with the exception of QR labels, smart cash desks, Internet acquiring, biometrics, etc.

TRANSACTION BUSINESS

Acquiring

Awards

- RETAIL FINANCE AWARDS**
 SberPay, Take & Go, Social ID and Pay with QR contributed to Sber's win as the Best Retail Bank
- RETAIL FINANCE AWARDS**
 Pay with QR—3rd place as the Best Retail Financial Product
- RETAIL FINANCE AWARDS**
 Social ID—1st place as the Best Social Project
- BANKING TECHNOLOGY AWARDS**
 The new model for charging transfers was recognized as the best IT solution in retail banking in the Best Use of IT in Retail Banking category
- FUTURE DIGITAL AWARDS**
 Gold for the innovation and convenience of the Pay with QR and Take & Go (Best In-Store Technology) services
- DIGITAL LEADERS**
 The transport platform won in the Platform of the Year category
- COMPLIANCE CONTROL LTD. PCI DSS**
 Sber confirmed its compliance with PCI DSS standard with regard to acquiring

Debit cards

	2017	2018	2019	2020
Share of debit card sales through digital channels, %	4.7	21.0	22.9	40.0

Sales of SberCard, a new card product with a dynamic fee system, are growing. The card fee depends on the client's segment, transactions or balance and is updated monthly. SberCard can be issued both through Sberbank Online and through bank offices. The product has been available for all clients since September 2020. Besides, the Multicurrency option for SberCard Travel became available to clients who can select the currency now (RUB, USD, EUR). Clients can buy currency in advance at a preferential rate and make purchases without conversion.

The bank continues to develop remote support for debit cards. For example, it became possible to order delivery of a card by courier in 19 cities.

Also, the client can submit an application for card closing through the chat of the Sberbank Online mobile application or by calling the contact center. Service operations relating to debit and credit cards through digital channels accounted for over 50%.

123.1_{MN}

active debit card

16.6_K

in 2020, couriers delivered debit cards to clients

Spasibo loyalty program

SberSpasibo is the largest loyalty program in the Russian banking market. The program bonus fund is formed by Sberbank and partners, with this format ensuring mutually beneficial cooperation for all parties.

Amid the pandemic, the SberSbasibo platform offered the opportunity to donate bonuses to Sozidanie, a charity providing support to doctors. In 2020, users transferred more than 18.8 million bonuses to this charity that were used to purchase over 130 thousand units of personal protective equipment for 15 regions of the country.

Also, to support the clients, Sber and 15 program partners reduced the price of coupons with discounts for Spasibo bonuses. More than 150 thousand clients took advantage of the offer.

The SberSpasibo platform provides a convenient service for transferring bonuses between the program participants. The service was used by more than 346 thousand participants who transferred 149.7 million bonuses.

In 2020, more than 400 promos were held together with program partners with the total number of the participants exceeding 13 million, the number of purchases reaching over 23 million and the promo turnover of RUB 19 billion. About one billion bonuses were awarded.

46.7_{MN} 4.7 mn

program participants

4.2_{MN}

MAU of the SberSpasibo mobile application

- Crystal Headset**
 Winner in the Best Multi/Omnichannel Customer Experience category
- Loyalty Awards Russia 2020**
 Grand Prix of the Leader in Loyalty Marketing in Russia competition
- Loyalty Awards Russia 2020**
 Gamification of the year—the best loyalty program using game techniques
- Loyalty Awards Russia 2020**
 Award for effective use of marketing communications in the loyalty program as part of the online party project Thank You for Being at Home
- CX World Awards**
 the jury recognized the case “On the Way to Ideal Customer Experience” (award for the Service Automation product with regard to client requests relating to the Spasibo chatbot and IVR).
- Adindex Awards 2020**
 Best in the Digital Out-Of-Home Innovation category

13.6_{MN}

users of the SberSpasibo section in the Sberbank Online mobile application

INVESTMENTS

A new section “Sber Investments” has been launched on the Sberbank website, which contains ready-made investment solutions from the leading professionals of Sberbank, as well as tools that allow beginners and experienced investors to invest on their own.

A convenient tool for selecting investment products and solutions according to the parameters specified by the client is also available on the bank's website: it is enough to enter the amount, investment period and currency to get the most relevant decisions. In addition, the service allows site users to find information about investment and savings products that are available in the Sberbank ecosystem faster and easier. Smart search allows the user to display the entire range of investment solutions in one click.

In 2020, a new product was developed—investment bonds of Sberbank “TOP Brands”, the yield of which depends on the prices of shares of the largest international companies. As part of the launch, the product was purchased by more than 6 thousand customers for more than 4.4 billion rubles.

IMPROVING FINANCIAL LITERACY

Inclusive bank

To improve financial literacy, we have released a series of five educational videos in Russian sign language: customers learn about special services for people with hearing disabilities, safety rules, how to use Sberbank Online and the features of the bank's main products.

To make it easier for a blind client to learn how to use SberBank Online via screen access, the bank has released audio and video tutorials demonstrating how the application works to a blind user.

SberCat project



in 2020 Sber continued active development of the SberCat project—a channel for youth in the VKontakte social network and the Sberbank Online mobile app.

By the end of 2020

13.9_{MN}

subscribers in SberCat chat-bot

>4_{MN}

in SberCat community

416_K

subscribers in SberCat channel in dialogs in Sberbank Online mobile application.

In 2020, The SberCat channel in VKontakte and the Sberbank Online mobile app continued to instruct users in financial literacy, posting memes and useful advice for its audience on how to save and how to spend, how to get an education now and pay later, how to use SberSpasibo bonuses, how to use piggy banks, etc.

Pensioners

Number of large-scale events on financial and digital literacy were implemented for pensioners in 2020.

>1.5_{MN}

people participating in financial and digital training



A series of webinars: safe handling of personal data in a pandemic, Fraud schemes in a pandemic, Rules of safety in a digital world (with sign language interpretation)



Video course “Rules of Safety When Using Bank Products”.



financial security rules test



Over 60 lectures at Sberbank offices on Bank Card Security, Cybersecurity (online and offline formats)

For more information on improving financial literacy, see the “Improving Financial Literacy” section of the ESG Report, p. 250

IMPROVING FINANCIAL LITERACY

Customer support during COVID-19

The COVID-19 pandemic has made adjustments to many aspects of human life. In this difficult year Sber was actively supporting its clients.

Starting from April 2020, Sber was distributing social payments within the framework of COVID-19 measures:

- children's benefits—a record was set for the whole country in terms of the volume of enrollment and tight deadlines: all enrollments were made within 10 hours;
- payments to employees of medical and social organizations working with COVID-19 patients;
- payments via the Ministry of Foreign Affairs to people who turned out to be abroad;
- payments to small and medium businesses.

During COVID-19, Sberbank supported businesses affected by COVID-19 by providing free payroll loans to clients who received a 0% payroll credit from the Russian Government.

To support those who stayed at home during the lockdown (#saveyourself) more than 480 million communications were sent. Customers received instructions on the availability of popular transactions without visiting the office (card reissuance, payments and transfers), as well as offers to take advantage of relevant products from the Sber ecosystem.

During the products promoting, opportunities to purchase through remote channels were offered to our customers. For a number of products, new customer pathways were lined up with remote purchase options. For example, regular Digital credit card campaigns with full processing without an office visit were launched.

Due to COVID-19 restrictions, retiree customers began to use remote channels more. The share of the bank's products processed online increased by 2.7 times (from 6.3% to 17.4%). The number of service transactions in Sberbank Online increased by 69% (from 48 million in December 2019 to 81 million in November 2020).

By a large-scale of digital services training campaign, launched in spring 2020, 20 million retirees in Russia learned about Sber's online services aimed to help with self-isolation.

To support our customers during COVID-19 for term deposits (which the end date of the deposit agreement fell on 30.03-05.05.2020), the deposit term was extended until 06.05.2020 with the interest rate on the deposit retained.

In order to support the Bank's clients during the pandemic, payment holidays were launched in second quarter. Also, a solution that allows to expose accumulated interest in the form of annuity payments when the client exits the payment holidays period was introduced and implemented.

Additionally, in August the bank launched alternative program of payment holidays that enables the client to temporarily decrease the size of payment (by 2.5 times) and still perform debit operations. This is the first credit card debt restructuring program implemented at Sberbank.

For all credit card holders, the mandatory payment was reduced: customers could pay 25% less each month to repay the principal.

Other customer support measures during COVID-19:

- card retention periods at offices were increased from 3 to 4 months;
- early re-issue fees for debit and credit cards were cancelled;
- charges for replenishing Sberbank cards with cards of other banks in Sberbank Online mobile application and on the Bank's website were cancelled;
- possibility to use an expired card to withdraw cash from ATMs and pay for purchases in retail outlets was implemented;
- marketing campaigns about the opportunity to activate a new card in the Sberbank Online mobile app were held for expired cards.

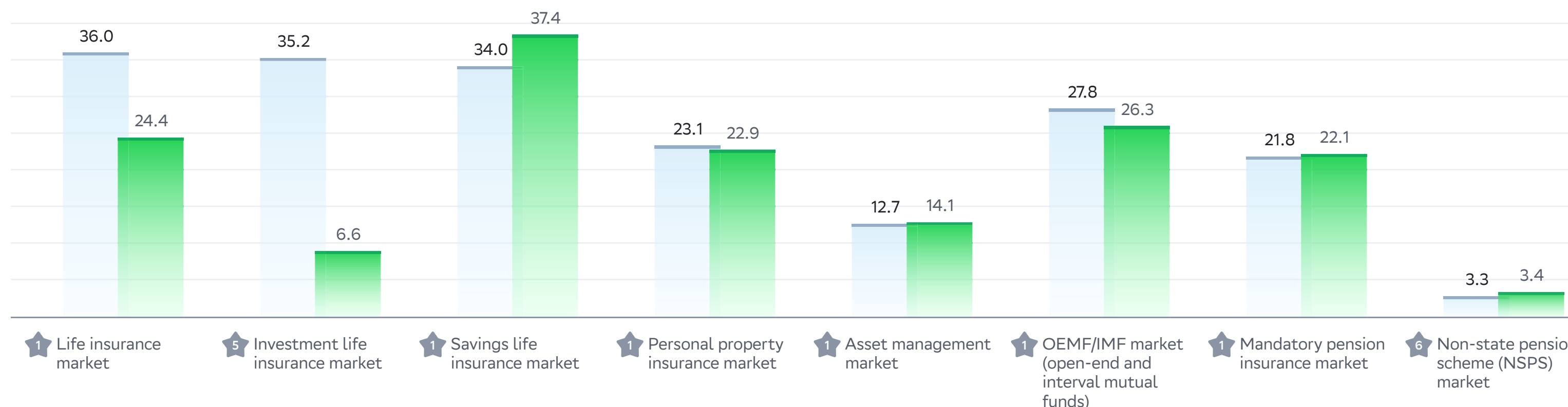
During COVID-19, customers also showed increased interest in "Card Activation without Getting Plastic" service, launched in 2019. The service allows customers to activate the card in the Sberbank Online mobile app remotely and use it for making purchases online and at retail outlets using a smartphone. The service is very popular among customers—in the first days of the quarantine the number of activations doubled compared to the period before the quarantine. During the whole period of the service's operation more than 3.2 million cards have been activated.

For more information see the ESG sections of the Report: "Special solutions (Inclusive solutions)", pp. 252-253 and "Development of socially oriented products", pp. 254-256

Wealth Management

Sber companies continue to hold leadership in the key segments of the insurance and investment market, %

2019 2020 Market position



Clients



01 Risk insurance: life insurance, property insurance, bank card insurance, accident insurance, liability insurance, medical insurance	19 MN +27% y/y	7 MN
	life insurance clients	other risk insurance clients
02 Investment products: trust management, investment and savings life insurance, mutual investment funds	214 K +45% y/y	>2.3 MN +54% y/y
	individual investment accounts	savings life insurance clients
03 Pension products: individual pension plans, corporate pension programs	8.7 MN	1.7 MN +1,3% y/y
	mandatory pension insurance clients (remained flat y/y)	non-state pension scheme clients

RISK INSURANCE

In 2020, the maximum use of digital channels for customer service became the key priority in terms of maintaining and developing the business.

A separate section Insurance appeared on the main page in the bank's mobile application (Sberbank Online) where detailed information is available on all existing insurance contracts. Through the same section, you can quickly contact your insurance company.

Advice on insurance products is centralized on the basis of the Sber Contact Center. Scenarios were implemented to make chatbots and voice assistants (telephone # 900) respond to queries without the need for a client to visit bank offices. Clients can contact an operator on any issues through a chat in Sberbank Online and on the websites of Sberbank Insurance and Sberbank Life Insurance in 24/7 mode.

Sberbank Business Online launched a service for insurance of collateral property and special equipment, which makes the process of issuing a secured loan and online insurance seamless. The client, along with the loan approval, receives an insurance policy without visiting a Sber branch.

New Sber insurance products



Save Yourself

A new product, Save Yourself, was launched, including for corporate customers. The program covers payouts in case of hospitalization for a wide range of reasons, including COVID-19, as well as COVID-19 diagnosis. In addition, the product includes the most popular laboratory tests (120 types), in-person and online medical consultations, instrumental examinations.



Pharm Insurance

A new product for individuals Pharm Insurance was rolled out providing compensation for medicine costs during the period of the insurance contract covering medicines prescribed by a doctor to cure a certain health condition.



Apartment Protection and Home Protection

New products were also launched for premium and VIP client segments in Sberbank Online—Apartment Protection and Home Protection. The number of insurance policies issued without inspecting a real estate item increased considerably, and some other housing parameters are now taken into account: location, wall material, alarm system, etc. For the Premier segment, a service is available to compensate for rental costs during the repair of a damaged property.



Pet under Protection

A new pet insurance product, Pet under Protection, was launched. In addition to compensating for treatment costs, the policy includes 24-hour online consultations provided by experienced veterinarians.



Health Care

A new product Health Care was launched providing an extension for the mandatory medical insurance policy. The product enables to take laboratory tests, receive instrumental examinations, make an appointment with specialist doctors prescribed by doctors under the mandatory medical insurance system at an optimum time in private clinics, as well as undergoing an extended medical examination, in addition to medical examinations and scheduled examinations available in the mandatory medical insurance system.



Liability insurance policies

As a pilot project, a marketplace for the selection of compulsory motor third-party liability insurance policies in branches, as well as a marketplace of full comprehensive insurance policies (without preliminary inspection of a vehicle) for individuals, was introduced. The full comprehensive insurance of collateral cars for small businesses, insurance of collateral property and special equipment, insurance against accidents of Citymobil passengers was also launched.



Sports Protection

A product for accident insurance during sports Sports Protection was piloted.



MyCyberInsurance Optima

A new cyberrisk insurance product for corporate clients, SBB.MyCyberInsurance Optima, was deployed.



Favorite Things

Sberbank launched the Protection of Favorite Things product that allows you to insure laptops and tablets, photo and video equipment, quadcopters, bicycles, snowboards and skis.



Break in Business and Personal Protection

New out-of-box insurance products for small and micro-sized enterprises Break in Business and Personal Protection (employee life insurance) were introduced.



Save Your Business

The service of automatic renewal of insurance policies for the Save Your Business product was implemented.

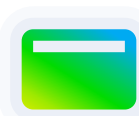
RISK INSURANCE

Some products were modified:



Mortgage Real Estate Insurance

The list of covered items was expanded, and the insurance cover option for interior decoration, engineering equipment and civil liability was added.



Save Your Funds

protection of bank card funds

Options were added for insurance of risks of unforeseen legal expenses, insurance against theft of funds and personal belongings as a result of robbery or an attack when withdrawing cash from an ATM.



Travel Insurance

The insurance program can now cover a period from one day, the age limit was increased to 80 years, the Extreme Sports risk was added.

Sberbank Online launched a new line of voluntary life and health insurance products for borrowers of consumer loans.

The client can configure the product at their discretion by choosing from four risk packages. The insurance product has become more attractive to the client in terms of the cost of insurance and the amount of insurance coverage.

Besides, the fourth risk category has been added—salary reduction insurance—an unparalleled product in the Russian insurance market.



Green Vacations

Cover for a job loss was introduced for all newly issued mortgages. The program provides insurance protection for 12 most common job loss scenarios. The client is insured in case of downsizing, company liquidation, being unfit for the position, failing the probation period, quitting upon mutual agreement of the parties, etc.

According to Federal Law No. 483, the possibility of early contract termination with the return of a portion of the unused premium when repaying a mortgage loan was added to all mortgage products, new restrictions as to the year of construction of housing were added, Insurance Rules No. 31.2 were approved containing comprehensive changes in insurance against structural defects, movable property insurance, reduction in the number of exceptions and limits on payment.

INVESTMENT PRODUCTS



Sber is the largest broker in Russia



Sber was the first in Russia to launch exchange-traded mutual funds

Several of the company's funds were among the market leaders in terms of various indicators at the end of the year:

01

Four mutual funds entered the top 10 in terms of raised funds from investors: Balanced, Money, an exchange-traded fund MOEX Russian Government Bond and Dollar-Denominated Bonds

02

Three funds reached the top 10 as highest yielding YTD (among funds with NAV of over RUB 1 bn):

- Consumer Sector (+56.76%)
- Global Internet (+56.26%)
- Biotechnology (45.97%)

At the end of the year, the bank's integrated indicator of asset management quality was 1.17 versus top peer companies.

New Sber investment products

Trust management strategies

A trust management strategy First Hedge Fund was introduced exclusively for SberFirst clients. For the first time, Sberbank's clients are offered a trust management strategy that enables to hedge the risk of loss in value of securities. A feature of the strategy is risk hedging to limit portfolio losses using mathematical algorithms.

A special line of long-term trust management strategies (Target Date Strategies) My Capital was also launched. The new strategies allow the client to save money by a certain date—retirement, children becoming of the full legal age, etc. The strategies are designed for a period of 5 to 20 years.

To meet increased demand from clients for foreign exchange investments, a savings solution Double Benefit was offered, which distributes the client's funds in equal shares between a currency deposit and a foreign exchange trust management strategy implemented by Sber Asset Management.

Exchange-traded fund

An exchange-traded fund for responsible investments Sber-Responsible Investments was launched, which invests in companies complying with the ESG principles (Environmental, Social and Governance).

Universal and investment life insurance

The line of investment life insurance products was expanded with conservative products, specifically, a new strategy Anti-Crisis Company Basket was included in the Coupon Smartpolicy program. The strategy is characterized by a transparent yield structure for clients enabling to get an annual coupon of up to 6.8% with 100% capital protection.

The process of accepting paperless documents under investment and universal life insurance contracts was initiated. An online assistant for claim settlement under investment and universal life insurance policies was introduced.

The conditions of universal life insurance in the mass segment under the Ticket to the Future and Future Capital programs were improved: the insurance period was expanded to 3 years, the guaranteed insurance amount for the Survival risk was increased due to the cancellation of additional investment income.

Sber Real Estate Funds

The key objective of the company is to develop a platform of closed real estate funds as a tool for long-term investments for individuals and institutional investors, as well as protection of private capital and its inheritance.

PENSION PRODUCTS

+7.8%

pension funds of Sberbank Private
Pension funds in 2020

10.5_{MN}

total number of clients exceeds

730_{BN RUB}

assets under management

The main driver of business growth is the transition campaign for the mandatory pension insurance product: the receipts of over RUB 8.8 bn (including receipts based on urgent applications of 2015) and revenues of over RUB 10.7 bn for products of the non-state pension coverage (successful launch of sales through Sberbank Online and Premier, streamlining operations with a portfolio of individual pension plans).

In the first half of 2020, the yield of the PFR (Pension Fund of Russia) pension portfolio under the management of Sber Asset Management hit 11.24% per annum, the best result both among private management companies and versus performance of the government management company. At the same time, the portfolio yield for 3 years amounted to 9.48% per annum.

Non-state pension products are going online. While 2019 saw online sales of individual pension plans (IPPs) account for only 15% of the total sales, in 2020 the IPPs were deployed in the Sberbank Online mobile application, resulting in the number of online contracts increasing almost sixfold. Over 12 thousand new clients joined Sber through Sberbank Online. The size of the initial payment for an IPP also increased, from RUB 3,000 in March to RUB 10,700 at the year-end. In total, during this period, clients brought more than RUB 200 mln through the digital platforms.

A new individual pension plan Active Capital launched in the autumn of 2020 was one of the key driving forces. This plan is intended for SberPremier clients and has a guaranteed minimum amount of pension payments. When making a contract, the client himself/herself determines the minimum amount of payments he/she would like to receive after being awarded a pension. Sberbank Private Pension Fund calculates the amount of contributions necessary to achieve the goal. The client can choose the frequency of contributions or pay the entire amount for a year on a lump-sum basis. The minimum level of pension payments is guaranteed, but it may be higher than expected due to reliable investment strategies.

SBER PRIVATE BANKING

+3.9_K +21%

clients

85%

NPS, a consumer loyalty index
(remained at the level of 2019)

1.3_{TN RUB} +42%

client funds in Sber Private Banking

In 2020, the geography of Sber Private Banking expanded to cover 5 regions of Russia—Moscow, St. Petersburg, Novosibirsk, Yekaterinburg and Samara. As part of the investment advisory service, assets under management doubled over the year. The share of investment products in the Sber Private Banking portfolio exceeded 50% at the end of the year.

In 2020, several unique transactions were made, including the largest repo transaction in the history of Sber with the participation of an individual, the first private securities financing transaction, the first ever direct repo transaction on the Sberbank platform with individuals.

The bank expanded investment opportunities for clients by launching evening trading and new orders, adding an investment advisory service without opening a brokerage account, as well as a fee based on a change in portfolio value.

Sber Private Banking is the only bank in Russia that provides the service of consolidated reporting on assets placed in different private banks around the world.

A new Visa Infinite Privilege card was introduced into the line of bank cards—a card of the highest category among Visa cards, as well as among all other bank cards in Russia. The card offers a unique set of features and privileges and is only available to Sber Private Banking clients in Russia. At the end of 2020, the multicurrency account option was added to the package.

WEALTH PRODUCTS AND ECOSYSTEM COMPANIES

Wealth products are widely used by Sber ecosystem companies.

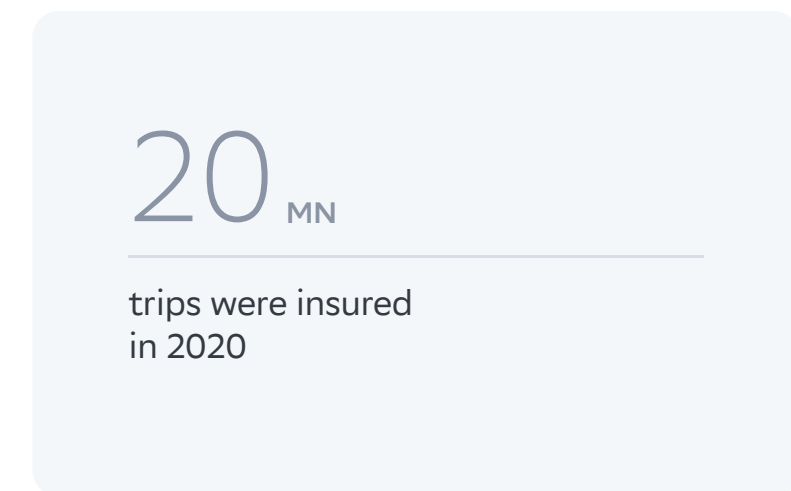
Smartphone insurance against theft and damage is included in the subscription fee of the premium line of SberMobile tariffs.

Insurance of EVOTOR smart terminals against all risks is included in the Rent product. Contracts for insurance of property, forwarder and third-party liability have been made with SberLogistics.

In 2020, 20 million trips were insured; Citymobil drivers and passengers are insured against accidents with a liability limit of RUB 2 million per each insured.

At the end of 2020, the Tax Deduction service was launched as part of the premium service packages Sber Premier, Sber First and Sber Private Banking. Campaigns were carried out to provide the service for free when replenishing such wealth products from Sberbank Private Pension Fund, as IIAs and IPPS, delivering a response rate of 10K customers.

Smartphone insurance against theft and damage is included in the subscription fee of the premium line of SberMobile tariffs.



COVID-19 impact

Clients are given the repayment holiday option on:

- multi-year life and health insurance contracts with a mortgage borrower
- mortgage insurance contracts for property made for any term
- collateral property insurance contracts with corporate clients

Universal life insurance clients with temporary financial difficulties are given the opportunity to get an additional grace period of up to 6 months for regular payments. Insurance cover under all contracts with this option continues to be fully valid.

To support clients during the coronavirus pandemic, Sberbank Private Pension Fund began to make early payments of insurance pensions.

Sberbank Private Pension Fund and the SberMarket service for delivery of products and essential goods provided social support to senior clients of the fund living in Moscow.

As far as universal life insurance products are concerned, the on-site issue of policies was organized during the lockdown restrictions; Sber First client could also benefit from a free on-site MEDO service with an online GP consultation based on the results of the examinations.

Sberbank also launched a promo with an integrated offer of the Insurance (Strakhovoy) deposit and universal life insurance provided through branches and Sberbank Premier. The autopayment option was introduced for the convenience of clients to make regular payments via automatic direct debit. As part of the bank's communication policy, the welcome SMS service was launched with navigation to the information page and video about a product, aimed at increasing clients' knowledge about their insurance programs and available services.

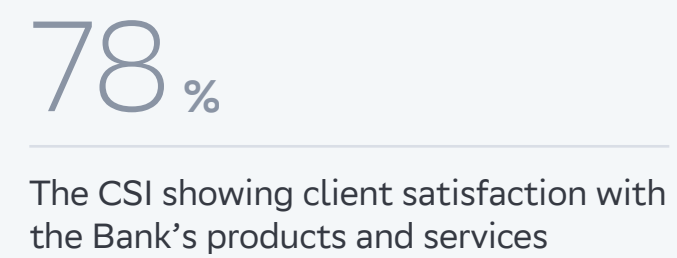
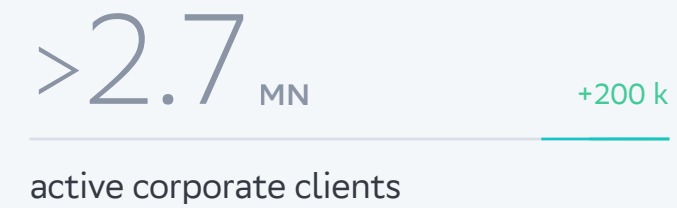
The bank made a decision to return the premium paid under travel insurance contracts to the clients who refused to travel due to the pandemic. Sberbank Insurance returned an insurance premium for a total of about RUB 2 mln to more than 1000 clients.

It was decided to extend insurance policies of clients who were not able to return to Russia due to border closures. The term of insurance cover for those clients whose travel insurance was included in the service packages was extended: from 90 days to 180 days for the Sberbank First and Sberbank Premier packages, from 30 to 90 days from the time of crossing the border for the Golden/Salary + package.



Corporate and Investment Business

MAIN RESULTS



In 2020, the client base of Sber's corporate and investment business increased by more than 200k clients, mainly thanks to provision of a wide range of financial and non-financial solutions to clients to satisfy the majority of their business needs and free them from routine operations.

Dealing with major, large, and medium-sized corporate clients, Sber uses an industry-specific approach that helped the Bank to respond quickly to negative changes in the economy in the context of the pandemic. To date, 17 industry teams have been formed that in 2020 added such sectors as shipbuilding, pharmaceuticals, and health care.

Sber regularly analyzes feedback from corporate clients and improves its survey tools. In 2020, a sensitive voicebot was introduced, able to have a dialog with the client, ask to repeat the client's questions, and record numerical and text values. Thanks to this technology, the feedback received from respondents doubled. Based on this feedback, the identified deficiencies were corrected through the client support hotline.

The level of satisfaction with the Bank has been modeled for each client based on internal behavioral data. The Bank's processes use DataCSI. This approach has been scaled to the process of retaining clients prone to leave the Bank, to the process of compensating clients for poor quality services, etc.

Improving knowledge about clients and using a variety of data sources in financial models increases the accuracy of forecasts when calculating pre-approved loan offer limits. To accumulate information on corporate clients, Sber has created the Data Platform that now contains 95 terabyte of data both from external and internal sources, including the Federal Tax Service, the Bank of Russia, zakupki.gov.ru, bo.nalog.ru, etc. The sources of data are constantly replenished—10 new sources of external data were added in 2020 (GIRBO (financial statements filed with the Federal Tax Service of Russia), bo.nalog.ru, ISOGDMOSRU, the Federal Customs Service of Russia, etc.).

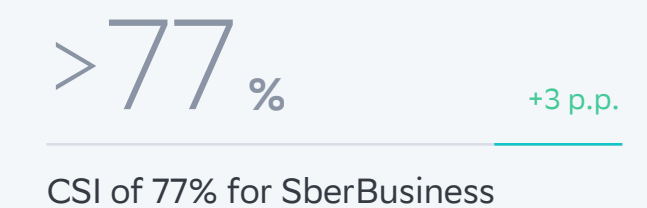
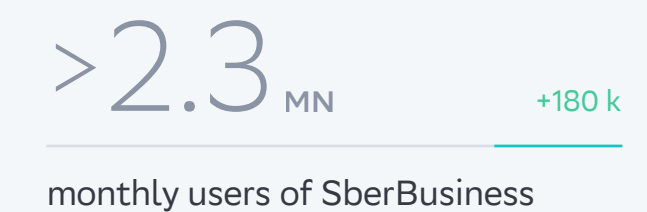
The corporate loan portfolio increased by 13.2% to RUB 15.7 bn over the year (excluding the foreign currency revaluation, the growth was 9.3%). In 2020, corporate clients received RUB 13.5 trn, which is 4% more than a year ago. As a result, despite a decline in economic activity in Q2 and Q3, Sber retained a 32% share in the lending market.

Throughout 2020, the transfer of key financial and non-financial products to "digital" continued: now all of them are available in the Sberbusiness Internet bank. The ability to interact with the bank online during the April lockdown and self-isolation turned out to be critically important for the majority of entrepreneurs.

Throughout 2020, the transfer of key financial and non-financial products to "digital" continued: now all of them are available in the Sberbusiness Internet bank. The ability to interact with the bank online during the April lockdown and self-isolation turned out to be critically important for the majority of entrepreneurs.

Sber provides more opportunities for settlements on weekends and holidays:

- payments are made under documents from the queue of those unpaid in time, including the bank fee (if there are money on the account and the payment is a permitted one);
- transfers to accounts of individuals are made 24/7.



CORPORATE AND INVESTMENT BUSINESS

For ruble payments, pre-calculated fees were visualized, and this halved the frequency of client requests submitted through the call center. The transfer of more than 140 user scenarios to the chatbot facilitated the automation of the most popular day-to-day operations in SberBusiness. And the process of sending and tracking foreign currency payments was simplified thanks to the SWIFT GPI Tracker widget that makes it possible to determine where the funds are and notify the client of their successful delivery.

Now not only the company's director but also its authorized representative can make changes to the legal case within his/her authority—60% of changes were made online in Q1. 11 types of remote changes are made automatically, so the time to process the relevant application and introduce the changes has reduced from 8 hours to 5 minutes. The individual project “Bank Support for Contractors of the Moscow Capital Repairs Fund” was launched for participants of the regional capital repairs program. For a fee, the Bank exercises automatic control over prohibited operations on the contractor's account based on contractual terms and provides a monthly report to the Fund.

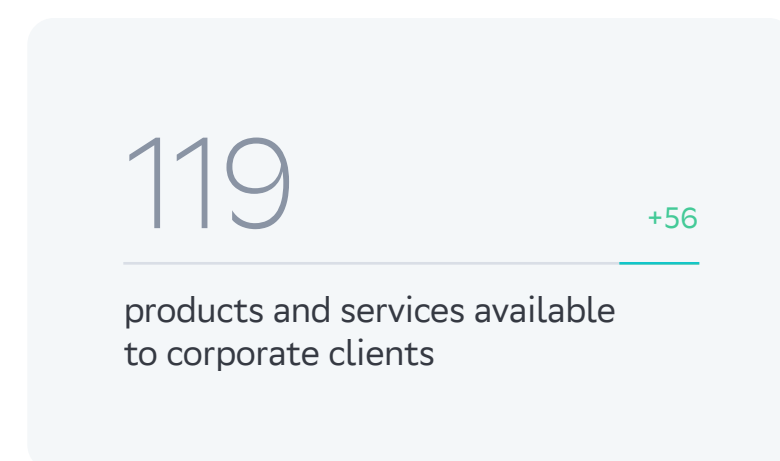
The mobile application Sber Inkassacia (Sber Collection) was launched to manage cash-in-transit (CIT) services online 24/7 without calling the bank: to submit and cancel requests for CIT services and delivery of change, to track the status of requests and security bags in transit, to look through the service schedule, to order the delivery of security bags, and to prepare supporting documents in electronic form, without printing them out on paper.

In 2020, the Center for Corporate Solutions processed 12.9 mn client requests (+7% yoy) and initiated 7.6 mln outgoing communications (+30% yoy). Around 15% of all requests (+10 pp yoy) were closed through automated services and the overall request processing time was reduced by 15%.

86% of all structured documents are processed by computer vision, while digital authentication of clients has made the authentication process instantaneous (previously it took up to 2 minutes).

Development of the ecosystem

Sber's key goal is to become partner No.1 for the client. That is why the line of financial and non-financial services that help businesses find areas for growth, improve efficiency, simplify strategic and tactical management, understand their target audience and much more is being actively expanded. In addition, we provide a seamless customer experience within the ecosystem with the help of enablers, which have been implemented in 39 companies in the ecosystem by the end of 2020.



The following companies provide the main services and products to Sberbank's corporate clients: Sberbank Leasing JSC, Sberbank Factoring LLC, Sberbank-AST JSC (SberA), Intercomp JSC (SberSolutions), Korus Consulting CIS LLC (SberKorus), Business Environment (Delovaya Sreda) JSC, Technologies of Industry Transformation (Tekhnologii Otrasleyoy Transformatsii) LLC (SberAnalytics), Strategy Partners Group JSC, Cognitive Robotics LLC (Cognitive Pilot).

Combating COVID-19

Sber stood by its clients during the pandemic and actively participated in a large-scale program to support Russian business.

The Bank has become one of the largest operators of business support programs initiated by the state, accounting for 30% to 50% of the market for various programs (“0% Loan to Pay Wages”, “2% Loan”, “Support for Systemically Important Enterprises”). In total, Sber has provided support worth about RUB400 bn to about 200k corporate clients under state and own support programs and carried out restructuring in the amount of more than RUB 2 trn starting from March 2020.

Thanks in large part to the ecosystem companies, Sber launched a range of specialized products and solutions for corporate clients and government agencies, including:

- Control of compliance with the self-isolation regime using biometrics (Speech Technology Center (hereinafter STC))
- Arranging a visit to a doctor and getting answers to questions on COVID-19 with the help of a virtual operator (STC)
- A comprehensive telehealth solution to monitor and control the patient's condition, which allowed reducing the risk of infection for medical personnel (SberHealth)
- Primary analysis of CT scans for changes in lungs in case of viral pneumonia (SberMedII)
- HR hotline (organization of remote work, support for foreign nationals) and IT assessment of readiness for remote work (SberSolutions)
- Free access to the electronic document management service that was used by >6k corporate clients (SberCorus)
- Anti-crisis online workshops for regional authorities (Business Environment)
- dSign—a free service to issue an enhanced qualified electronic signature for individuals in a contactless manner (Business Environment)
- A system for holding remote meetings of creditors as part of bankruptcy procedures for procurement participants (SberA)

For small business clients during the first wave to simplify the transition to working online, some services became available for free: service fee for terminals and cash registers, commission on all packages of services, if there is no movement on the account. CRM24 customer relationship management service was launched free of charge for 60 days, “My Trade” product management system free of charge for 60 days, dating of online advertising campaigns, free access to online services from Megafon, free placement of vacancies on Rabota.ru, free consultations on coronavirus from SberZdorovye, connection to Delivery Club service with zero commission till the end of June.

The bank's website offered an opportunity to open an anti-crisis account for businesses (from 0 rubles: if you connect to any package of services, a ruble current account will be opened for free and without visiting the bank), to learn operational information about the bank's work, and special offers were launched.

Training courses on managing remote teams and enhancing business skills and Business in the Remote Mode, a talk show, were also launched. Channels were organized to exchange life hacks and stories on how to arrange work and retain clients.

Regular information and analytical solutions were built for state authorities to monitor the economic activity of businesses and the consumer sector. For example, an analytical panel on cash flows broken down by industry and region of the Russian Federation for the Department of Entrepreneurship and Innovative Development of Moscow was launched on SberAnalytics platform.



1 SEC

Best Bank for Payments and Collections and Most Innovative Bank in Central and Eastern Europe

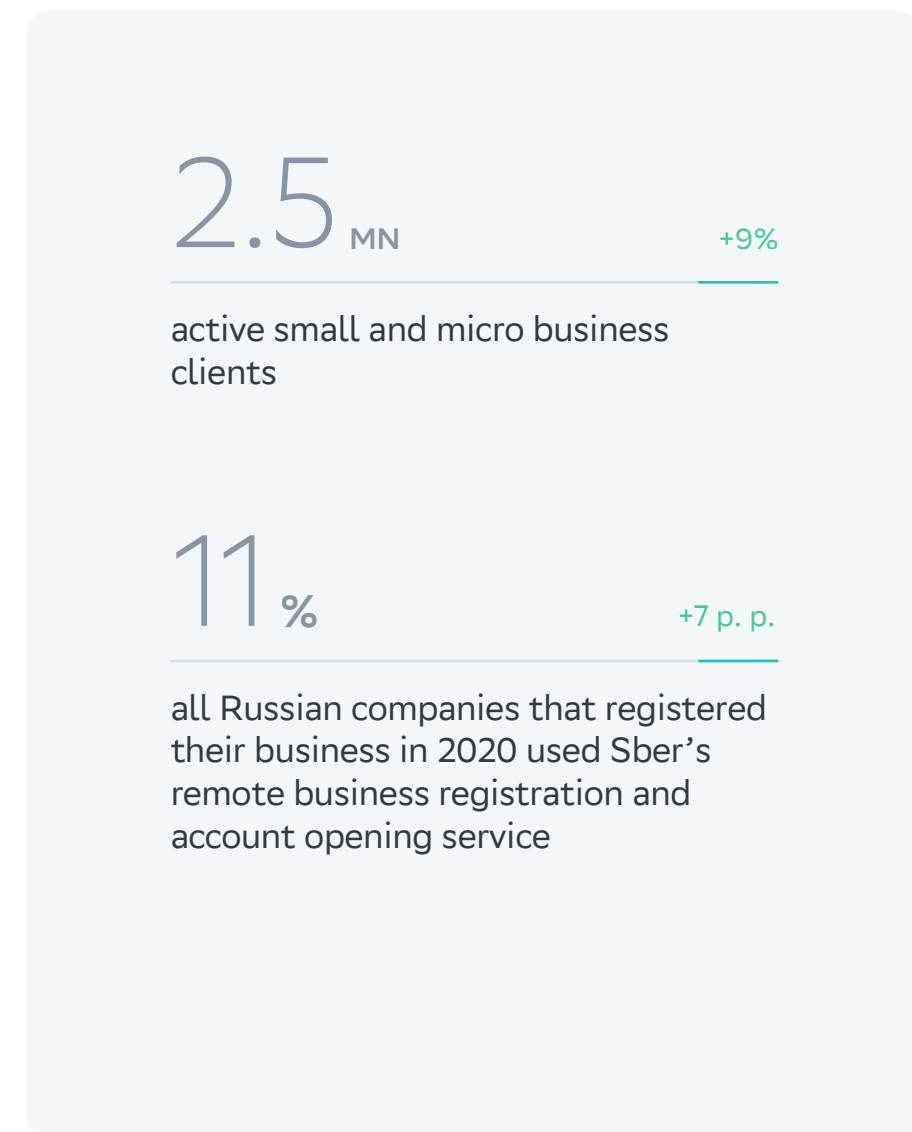
payments available 24/7

SMALL AND MICRO BUSINESSES (SMB)

Small businesses remain a priority segment for Sber.

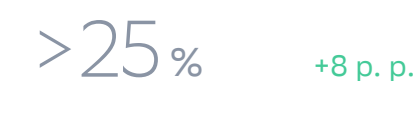
The partner channel plays a significant role in attracting new clients: more than 200k companies or a third of new clients from the SMB segment joined the Bank through this channel in 2020.

The remote business registration and account opening service launched by Sber two years ago is very popular. In 2020, more than 90k clients used the service, 69k of which used the service in partner offices.



In 2020, a number of improvements were introduced to loans and bank guarantees for small and micro businesses, including:

- ONLINE OVERDRAFT: getting an overdraft without visiting the Bank's office
- automatic monitoring of signs of problems to prevent overdue debts
- A service to pay for orders in partner online stores from the loan
- The application for a bank guarantee can now be submitted through SberA



of loans to small businesses worth RUB 49 bn were issued using the Loan in 3 Minutes technology in 2020.



Sber's share in the bank guarantee market vs 6% (2019)



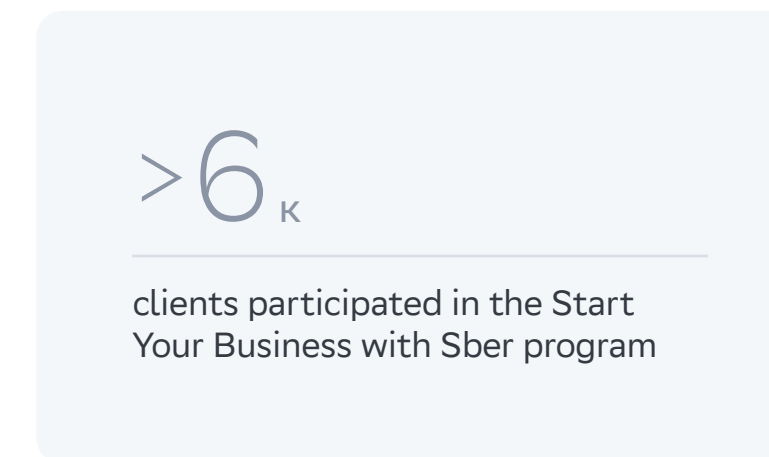
The SME loan portfolio



The SME lending share

The range of affordable services for small and micro businesses was expanded in 2020:

- When opening an account, they could sign up for non-banking services without taking any additional steps (Lawyer for Business, Rabota.ru, Counterparty Check)
- The service of opening an account when the Bank's representative comes to your place and delivers an instant business card became available in 80 cities
- When opening an account, new clients now can automatically register payroll agreements
- Start Your Business with Sber program was launched. It helps first-time entrepreneurs start their business: select the form of business and the taxation system, register the business and launch it in a remote mode



Development of the website for small businesses and the self-employed continues:

- A number of sections have been re-launched, including For the Self-Employed and Business Reference Center
- A section devoted to ecosystem products and services for the business on sber.ru has been developed
- A section has been launched where clients can apply for a consultation related to opening a business

To improve the efficiency of services provided to small businesses, Sber is actively implementing AI algorithms. Selected 2020 initiatives:

- Search for fraud in the partner channel through detection of violations in telephone conversations of employees of Sber's Center for Corporate Solutions
- Development of the journey plan for managers visiting clients to improve the performance of client managers
- A system of recommendations regarding optimal OKVED (Russian Classification of Economic Activities) codes for clients opening their business, based on the advice of lawyers and actual OKVED codes of peer companies
- A system to prevent operational defects included in AI Russia, the library of best Russian AI projects



Sberbank.ru received the Global Finance 2020 award as the world's best bank website for corporate clients

SMALL AND MICROBUSINESS

Developing convenient channels for customers

In 2020, SberBusiness was considerably improved and updated, which allowed it to make transaction and credit operations faster and more convenient for customers.

The time for filing applications to obtain a business card has been optimized, due to an option of data recognition based on scanned passport, after integration of AI technology into the process of business card issuing. The line of business cards was supplemented with an instant business credit card. Moreover, business cards became digital, allowing to make payments via Apple Pay and Google Pay.

An important step in customer acquisition was the launch of account commitment via a special website-so-called “pre-login” zone of SberBusiness. Due to that, now it is possible to become Sber’s corporate client in the remote mode: relationship managers come to clients and execute everything at a time convenient for them.

In 2020, the line of non-financial businesses (45) released in SberBusiness was supplemented with 8 new services, including SberRating, SberLogistics, SberHealth, Corporate Taxi, Storefront in GIS, etc.

The SberRating service launched in SberBusiness in 2020 for integrated assessment of legal entities and individual entrepreneurs based on official and internal sources, allows checking counterparties for reliability and financial stability, checking the probability of blocking and getting recommendations for the conduct of business.

The marketplace of the current version of SberBusiness gained momentum due to the application of AI technologies. The selection “Popular among companies similar to yours” based on AI models gives recommendations for products already bought by users with the similar profile consisting of more than 150 characteristics. The efficiency of this placement increased and in 2020 it brought the Bank more than 3,500 transactions for an overall amount of over RUB 110 mn.

Users now have an opportunity to propose their own ideas concerning SberBusiness development, due to the respective option in the “Help” section.

Now the Bank has a cloud service for enhanced encrypted non-certified digital signature regularly used by 3,300 customers to sign payment orders. The advantages of such signature are: simple procedure used to obtain it, usability, security, an opportunity to sign documents without cellular communication—it’s enough to be connected to the Internet.

SberBusinessAPI (formerly—Fintech API) allows the Bank to integrate with partners and exchange data directly from customers’ accounting systems; the seamless authorization via SberBusiness ID is also provided and there are over 5 mn queries processed daily (increase by 2.5 times YoY). In 2020, there were over 100 new integrations implemented in SberBusinessAPI (35 in 2019).



Mobile app SberBusiness has definitely turned into a standalone platform for business conduct and development allowing to do without the web version of internet bank.

Among other things, the mobile app now offers an opportunity to file a loan application, a marketplace with banking and non-banking services, connection to which is arranged via stories with smart targeting in a manner similar to the web version of SberBusiness, and connection to the loyalty program for customers with business cards—“Business Cashback”.



>1_{MN} +200 k

The number of active monthly users of the mobile app SberBusiness

46% +12%

The share of users of the mobile version increased from 34%

4.7

SberBusiness is the leader among Russian corporate mobile internet banks according to the score in App Store and Google Play: 4.7 out of 5

SMALL AND MICROBUSINESS

SberBusiness awards



Best web bank in Central and Eastern Europe.



Winner in Diversity & Inclusion Excellence. Product—SberBusiness for visually impaired people.



Best web bank for SME in Central and Eastern Europe.



Best platform of bank ecosystem services for SME.



Top-5 of best mobile banks for business. Product—SberBusiness mobile app.



Golden award in Financial Management Solution. Product—SberBusiness.

State support programs for small and medium-sized businesses with Sber's involvement

In 2020, Sber actively worked with 10 state support programs for small and medium-sized business, including:

1. Program of preferential loans, Ministry of Agriculture
2. 8.5% program, Ministry of Economic Development
3. 0% program for employment support, Ministry of Economic Development
4. Program for business resumption (2%), Ministry of Economic Development
5. Program of the Far East Development Fund
6. Program to support residential property developers, Ministry of Construction, Housing and Utilities
7. Guarantee support mechanism
8. Program to promote SME lending
9. Program to support systemic companies
10. Export subsidy program

The most actively developing program is the Program of preferential loans at 8.5% from the Ministry of Economic Development (MED-2019): in 2020, it provided loans for the amount of RUB 428.8 bn and Sber's share is over 40%.

950 BN RUB x2,5

loan portfolio of small and medium-sized businesses

SELF-EMPLOYED

As early as in 2019, Sber launched the “My Business” service package and added the registration option for self-employed people as part of the support of the Russian Government’s experiment in introducing a special tax regime for self-employed people. It is now possible to register yourself as a self-employed person in the country's perimeter, which opens wide opportunities for development of this segment.

When customers register themselves as self-employed persons in the SberOnline app, which is done just in a couple of minutes, they gain access to a free service package, including a digital card, work with invoices, cash payments, training in the messenger from the Delovaya Sreda company, online booking service, document designer, and a wide range of financial and non-financial services.

The “Self-Employed” section on the bank’s website outlines all nuances of tax regime in layman's terms (including animated materials), and gives detailed descriptions of services and instructions how to use them. Moreover, Sber arranges information campaigns on the Internet on a regular basis, and posts articles and videos with lifehacks for and from self-employed people on a special resource—sberbusiness.live.

277_к

self-employed people registered their businesses via the “My Business” platform.

COLLABORATION WITH THE GOVERNMENT

Sber is actively developing its collaboration with the government, which moved beyond lending and mediation in state support. Capacity of Sber’s technological platform make it possible to use it in the digital transformation of federal and regional public sector.

In 2020, Sber made a positive decision concerning debt financing of 47 concession projects in 36 regions of Russia for the amount of RUB 21 bn.

In 2020, Sber approved financing of the construction of a bridge over the Lena River in the Republic of Sakha (Yakutia), which will increase the level of all-year transport accessibility for the population of Yakutia from 20.9% to 70%, and a bridge over the Vistula Lagoon.

In 2020, most of the Central Ring Road (CRR)—one of the largest infrastructure projects in modern Russia—was open for traffic. The project has been implemented with Sberbank’s participation and support since 2015. During this period, the bank provided a wide range of banking products and services as part of construction phases 1.3 and 4 (CRR-1, CRR-3, and CRR-4, respectively). In the course of project implementation, Sberbank repeatedly provided unique performance guarantees, as well as advance payment guarantees for concessionaries and contractors taking part in the road construction. Moreover, Sber took part in syndication of several loans with the total limit of over RUB 82 bn (RUB 11 bn in 2020), which allowed providing the project with sources of financing to the full extent.

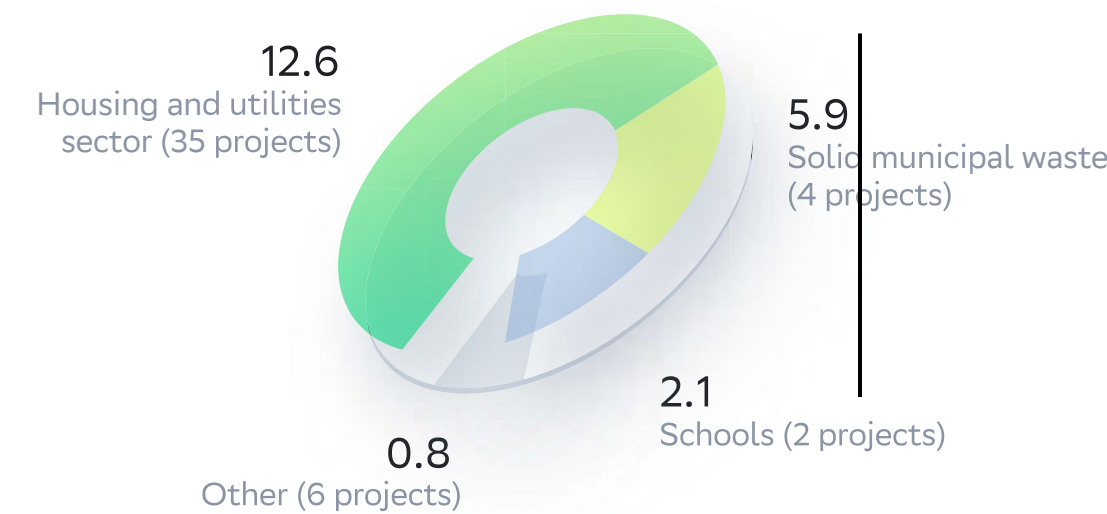
As part of developing the public infrastructure, Sber provides acquiring services for social welfare institutions, transport companies, and multipurpose centers. At year end 2020, Sber served 12.5 thsd acquiring points (without transport equipment) and became the main acquirer of the federal resource DOM.RF. The bank affords an opportunity to pay for traveling by public transport with a bank card in 140 cities and towns of Russia.

In 2020, Sber signed over one thousand agreements with government agencies and institutions for ecosystem products, including biometric face recognition, photo/video recording, voice operators, voice filling of medical and other documents, logging, financial outsourcing, cashless payment at schools and in transport, counterparty check services, smart bus stops, integrated telemedicine solution.

Some reference projects included:

- The GOSTECH pilot to implement digital services for federal agencies on Sber platform
- roadmaps for implementation of government services on Sber’s digital platform with >10 regions . At the same time, the backbone region to create socially important services for people was Tatarstan, where six digital services to support private farm holdings were implemented during the year, and 80 services to support individuals and businesses are planned (regional super-service “My Subsidies”);
- based on Sber’s cloud platform and supercomputer, the bank has created the lesvostok.rf service aimed at creating the conditions for sustainable development of forestry and wood processing industry, generating open public data and a procedure for making forest plots available for use, introducing a mechanism for stock trading, and preparing the infrastructure for developing the public market for transactions with timber.
- biometric services of Sber ecosystem companies, including deployment of the VisionLabs biometric access control system (ACS) in some Russian universities and schools and use of Voice2Med voice services in more than 100 medical facilities to fill in medical documents with voice.
- deployment pilot of Nestor.Provosudie (STC) in the Directorate for provision of meeting minutes to justice courts
- courses for project works in IT and development of digital skills for federal and regional authorities from the Sber’s Corporate University.

Financing of concession projects, RUB bn



LARGEST, LARGE, AND MEDIUM-SIZED BUSINESS

In 2020, Sber is continuing to improve its loan products on the basis of advanced technologies.

In 2020, it started to deploy a target process of digital credit monitoring based on using AI models and aimed at the maximum reduction of human factor in credit risk assessment.

The “Loan in 7 Minutes” technology started to take into account customers with the revenues of RUB200 mln, which increased the demand dramatically, especially among customers from industries affected by the pandemic. Now there is an opportunity to close transactions with subsidies from the Ministry of Economic Development (subsidized lending); price condition algorithms for customers have been automated. It is also possible to send to the Bank several transactions for one customer at the same time (Transaction by Transaction).

The bank has started to implement a new online process—Dream, with a cascade of models using information from external and internal sources, which allowed creating digital customer profiles and generate pre-approved offers with transaction structure and limit amount including using customer cash flow models, automatically make decisions on transactions. The process is at the piloting stage.

The early problem diagnosis has been put into commercial operation (predictive power —70-86%). And due to timely debt restructuring, target indicators of the loan portfolio quality were achieved despite of economic downturn and increased uncertainty due to the pandemic.

AI technologies were used as the basis for developing online assessment to analyze the pledge security, which allowed decreasing the time for pledge assessment twofold, to extend the geographic reach and the coverage of analyzed security property. In particular, it is now possible to analyze the cost of pledging street retail premises in 200 cities and towns (36 cities and towns in 2019); there is also the functionality for pledge analysis of shopping and office centers, warehouse complexes, fuel filling stations and car showrooms. This service served as the basis for analysis of individual segments of the retail property market.

In the midst of pandemic, Sber has made considerable progress in issuing electronic bank guarantees, whose share in favor of the Federal Customs Service increased to 94.5%.

For customers taking part in public procurement, Sber, together with SberA, implement online guarantees with 100% electronic document flow and the issuance time of only 3 hours. In 2020, 28k of such guarantees were issued, which is 70% higher than a year before. At present, over 750 thsd customers have an opportunity to conclude and secure contracts without leaving the SberA electronic trading platform, which was especially relevant during the lockdown period.

In 2020, the bank completed migration of all users to the new version of Sberbank Pro—a platform for large and largest customers with increased requirements to the system security and performance due to the broad document flow for accounts.



In 2020, digital solutions for large businesses were recognized as the best in the market by the independent rating agency Markswobb.

80%

of decisions as part of credit risk monitoring in the large and medium-sized business segment are made on the basis of these AI models and algorithms.

45%

+30 p.p.

of decisions for short-term loans to large and medium-sized business customers are made on the basis of the “Loan in 7 Minutes” technology; the amount of existing agreements as of the end of the year amounted to RUB 422 bn.

89%

of simple and simplified transactions are reviewed within 2 days on average, and 80% of structured transactions—within 18 days.

NON-FINANCIAL PROJECTS WITH LARGEST CUSTOMERS

Today, industry leaders are actively involved in their digital transformation, which is critical for the growth of business efficiency and implementation of services according to the one-contact principle with the seamless transition between them. In this context, there is now a new trend in the major customer segment—creation of new roles responsible for business digitization: Chief Information Officer (CIO) and Chief Digital Officer (CDO).

In 2020, to interact with the CIO/CDO of key clients, Sber has created a separate role of digital transformation partner, Digital Transformation Officer (DTO), whose task was stimulated by conducting digital transformation of clients' businesses with the help of pro-active technological solutions of Sber ecosystem and partners. To solve local issues of digitalization of clients throughout the Russian Federation, Sber has created the role of a project manager for digital projects, Customer Success Manager.

In 2020, Sber is continuing to develop the Intelligent Management System (IMS) by transforming it from an interbank application for line managers into a set of specialized market products for various businesses. In particular, after successful completion of a pilot in one of federal entities, the bank marketed the specialized product “IMS for MFCs”. Based on a successful IMS pilot in one of the largest real property sellers, the bank launched a universal product for business entities—“IMS for Managing Sales Funnels”, and there are some pilot deployments of specialized IMS for call centers, chain retail and distributor business.

SERVICE MODEL FOR HOLDING COMPANIES

In 2020, Sber continued to develop a new service model for holding companies, which now assesses all counterparties based on their economic perimeter. As of today, the customer base includes as many as 14.2 thsd holding companies and 1 mn unique INNs within their economic perimeter, including small business. The composition of holdings is continuously updated due to ML models, which also take part in the integrated risk assessment for granting loans to holding companies.

Sber offers four solutions for such extended perimeter of customers: banking contract follow-up, loan in a basket (service for synchronizing the bank services and the work of IT infrastructure of holding companies), factoring, and partner program.

These product solutions are aimed at providing leverage to customers' counterparties, developing transactional services and simplifying interaction with the Bank via the customers' channels.

14.2_k +1,5 k

holding companies with breakdown by companies from all segments is stored and continuously updated.

SBER'S CONTRIBUTION TO DEVELOPMENT OF INDIVIDUAL SECTORS OF RUSSIAN ECONOMY

Sber is continuing to develop the industry expertise and has already formed 17 industry teams. The industry approach helped Sber to enable fast response to negative changes in economy caused by the pandemic.

Customer groups were structured to make decisions for support of affected industries, while cross-block industry teams provided the analytical support to the Government of the Russian Federation to develop anti-crisis measures for industry support:

- over **85 proposals** of anti-crisis measures for industry support have been generated,
- **8 programs** for anti-crisis support of business have been launched, including a program for support of legal entities and individual entrepreneurs aimed at business resumption (Loan at 2%) and a program for support of systemic companies
- **12 amendments** have been made in Federal laws
- proposals have been prepared to sectoral support measures for **11 affected** industries as part of the national plan of actions
- **2 programs** for support of individual industries have been implemented:
 - for residential property (Government Resolution dated 30 April 2020 No. 629 "On approval of Rules for compensation to credit institutions for lost earnings from loans granted with a view to implement housing projects";
 - for automotive industry (Government Resolution dated 11 July 2020 No.1035 "On approval of Rules for granting subsidies from the federal budget to Russian financial institutions for compensation for lost earnings under loan or factoring agreements concluded in 2020 with a view to perform automotive equipment supply agreements";

Agribusiness

Agribusiness remains one of top priority areas for Sber. In 2020, the Bank actively provided financing as part of the program of preferential loans to farmers, including for seasonal field works, and initiated legislative changes aimed at supporting agribusiness during the pandemic. As part of the program of preferential loans from the Ministry of Agriculture, it has been allowed to prolong preferential short-term loans for up to one year, the transfer of principal and interest payment was provided (for smallholder farms), the areas of target use have been supplemented with paying wages to employees, paying for power and POL, and the maximum size of short-term loan has been increased.

Moreover, the study of industry digitization was conducted and two partners for ecosystem expansion were selected—Geomir and Mustang Feeding Technologies, and a pilot was launched in the territory of Russia for unmanned installations (Cognitive Pilot).

Fishing industry

In 2020, Sber actively financed the development of fishing industry, including as part of the program of crab harvesting quotas for investment purposes. The bank's customers won 17 of 35 lots at the auction arranged in late 2019, and obtained the respective financing for the amount of USD 1.4 bn to pay for lots and build the crab fleet later. The general bank's share in the industry lending market is over 70%.

Regional tourism

Based on the big data analytics on the SberAnalytics platform, Sber has developed an out-of-the-box solution to analyze the tourist flow by launching the Tourism Index. This latest practice allows quick tracking of the travel industry dynamics for 6 key indicators and may become a part of strategy to maximize the tourist potential of federal entities, cities and towns.

Sber took part in the government program for promotion of affordable domestic tourist trips through compensation for a part of payments for tourist services to MIR cards. A considerable part of the program amounts passed through Sber cards, and we are planning that the incentive program will be continued in 2021.

Financing of housing construction with escrow accounts

In 2020, Sber extended a product line for housing developers for initial construction stages, including a 2 in 1 product to finance housing construction projects - from the initial stage to commissioning, and bank guarantees for purchase of land allowing developers not to raise equity to pay for land.

Projects with escrow accounts account for over 70% of Sberbank's loan portfolio of housing developers, while this portfolio increased by 94% during the year and exceeded RUB850 bn.

Moreover, the Bank is actively developing online interaction with developers: in particular, now they have access to the Personal Profile service, where they can conduct the electronic document flow upon request and control the stages of transaction consideration. Every second application for project financing in housing is submitted via the service.

The bank is still actively involved in government support activities, including those aimed at subsidizing housing construction projects. The developer subsidy program (Resolution of the Government of the Russian Federation No.629 dated 30 April 2020) covered 127 agreements with the total limit of RUB 169.6 bn.

CONTRIBUTION TO THE DEVELOPMENT OF SELECTED SECTORS OF THE RUSSIAN ECONOMY

Retail

We help international companies to launch and realize ambitious projects in Russia—both those who were among the first to start their development in the country and those who decided to enter the Russian market quite recently.

One of the striking examples of support for international business in Russia was the project in which Sber Group acted as the main financial consultant and planned the entry of a large foreign company into the Russian market. Thus, we helped to implement a project of entering the Russian market for a Danish retailer—the JYSK company. We consulted and supported the company before opening a legal entity in Russia, helped to calculate cash flow, provide payment services and assisted in launching the first store—this was our support for one of the largest European retail chains of furniture and household goods in the process of entering the Russian market.

In the spring of 2020, having an online channel became a matter of survival for many industries, including retail. In order to help retail clients, Sber has developed the Turnkey Online solution that allows you to launch your own business using all the latest technologies of Sber’s ecosystem, from creating and promoting a website to building logistics and integrating our innovative financial solutions. At present, the solution scaling has been launched for all corporate clients in the Medium+ segment.

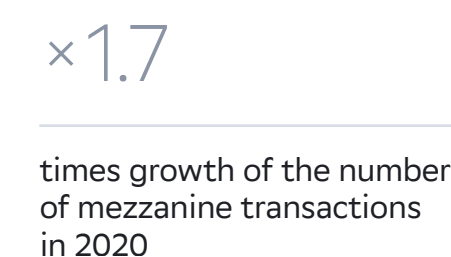
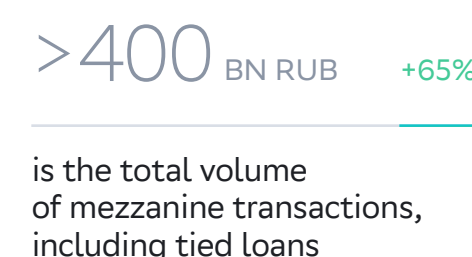
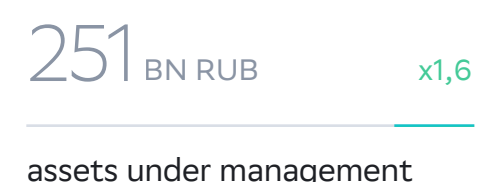
Sber also provided first-line support for digital transformation of the largest player of the automotive retail, Rolf GC. Sber quickly adjusted the settlement scheme according to the needs of the clients who made a decision to transfer sales to online due to closure of dealerships in the spring of 2020. As a result, the company was able to ensure uninterrupted sales of cars and spare parts in Moscow and Saint Petersburg.

MEZZANINE FINANCING

In 2020, Sber has significantly increased its mezzanine financing volumes; the assets under management grew 1.6 times to RUB 251 bln, and the investment volumes—2.5 times to RUB 139 bln.

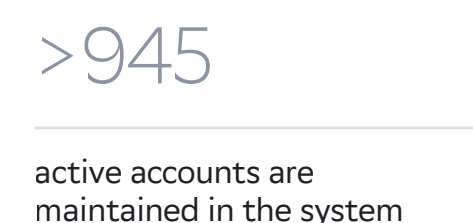
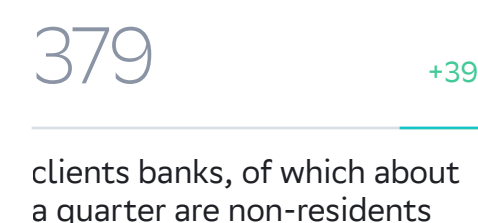
The agreement has been signed between Sber and the Emirates Mubadala Foundation for cooperation in joint investment, debt and equity financing, long-term financing of Mubadala’s projects in Russia and other countries, and also the opportunities are offered to interact and invest in AI, cybersecurity, natural sciences, telemedicine, and education.

The documents have been signed to establish a private equity fund between Sberbank Investments (Sberbank’s subsidiary), Mubadala (largest sovereign fund in UAE), and VPE Capital (management company of the private equity fund); this is the first deal on Sberbank’s participation in the private equity fund as a limited partner (LP). The fund intends to invest in various economic sectors and make equity investment in the companies that operate primarily in Russia. The fund will focus on the companies that need investment capital for their intensive growth and business scaling. Owing to the joint fund, medium businesses in Russia will have access to equity capital in order to achieve their ambitious goals. The fund will be free to attract additional capital from third-party investors, so as the assets under management would reach USD 500 mn. Sber’s unique client base combined with the comprehensive investment expertise and the bank partners’ experience, will boost the Russian private equity market.



FINANCIAL INSTITUTIONS

Sber continued developing the SberFinLine platform designed in-house for two-way exchange of payment documents on correspondent accounts with Russian and foreign clients. In 2020, the market was offered a new version of the secure payment exchange channel based on a host-to-host solution, which significantly improved the client experience.

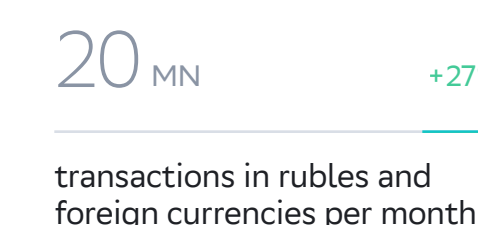
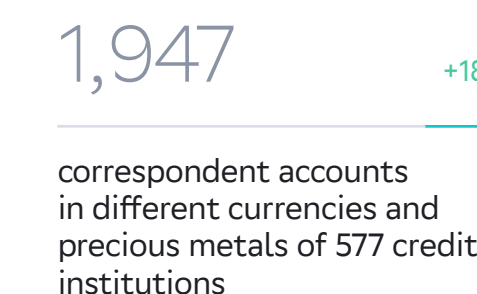


SberFinLine platform for settlements between banks

575

Sber Group’s banks have 575 Nostro accounts in 36 currencies in 40 countries worldwide.

Loro accounts opened with Sberbank:



GLOBAL MARKETS

Conversion business

600 BN USD +100 bn usd

developed global platform for ruble trading and algorithm-driven execution of customer orders made it possible to increase the annual turnover of SberBank in currency conversion to USD 600 bln against USD 500 bln in 2019.

In 2020, Sber added new algorithmic products to improve both customer service and the bank's internal liquidity. We have implemented new access to major global platforms via API, and also direct customer connection using SberFXConnect. Sber was the first in Russia to make algorithmic orders available in the Bloomberg system for traders of the largest international and local customers.

80% +10 p.p.

the share of transactions where the risk was mitigated by counter transactions without entering the external market

Sber heavily implements the AI and BigData technologies to improve the customer experience on trading platforms. The FXMarketDataHub service for dealing with market data has been launched. New models allow us to increase the forecasting accuracy of conversion rates in branches, and also the shift of currency spreads depending on supply and demand. We have launched the service of card conversion at Sber's rates for customers of foreign banks. The new data-driven model optimizes pricing for corporate customers based on their cluster analysis.

96%

the share of algorithmically hedged transactions remained high

Sber continued developing its own platform, SberCIB Terminal (SberbankMarkets), which was employed by 4,000 corporations and banks. The customers are offered conversions with 35 currency pairs, transactions with currency derivatives and precious metals, deposits and minimum balance agreements, and also brokerage products. The hours of trading sessions have been extended; the platform is now open for making transactions 20/5.

Investment business

3.5 MN +2.1 mn
retail brokerage accounts

34% +6 p.p.
share in the Russian market by the number of brokerage accounts

In 2020, Sber has shown an exponential growth in the number of retail investors and brokerage customers. Over the year, the number of brokerage accounts grew from 1.4 mln to 3.5 mln and the market share increased from 28% in 2019 to 34% in 2020. Our customers now have access to new services, and also evening trading and foreign stock trading in rubles on Moscow Exchange.

In 2020, the number of brokerage customers using the Sberbank Investor application has grown significantly; the application's MAU has doubled against 2019. At the end of Q1 2021, it is planned to put into commercial operation the Sber Investor 2.0 application.

Sber continues to improve the quality of analytical support and the financial literacy of its customers. In 2020, we introduced the SberInvestments Telegram channel which quickly grew an audience of over 40,000 people, and the Major Investor podcast with Andrey Shemetov, which was broadcast on several platforms: YouTube, Yandex.Music, Castbox, Apple Podcasts, Google Podcasts, Spotify, and VK podcasts. The Investment.Clearly portal continued to heavily increase the number of users.

Institutional Investor

Sberbank Investment Research—is the best team of analysts in Russia

Sberbank Investment Research—Equity Sales is the best team on customer stock transactions in Russia

GLOBAL FINANCE

Best bank in mergers and takeovers in Central and Eastern Europe

Best investment bank in Russia

SRP EUROPE AWARDS 2020

Best performance of customer portfolio for the year

Leadership in sales of revocable notes in Russia

THE INNOVATORS 2020 GLOBAL FINANCE

Most innovative bank in Central and Eastern Europe

GLOBAL MARKETS

Commodity markets

In 2020, Sber continued to expand its transactions in the commodity markets. A new subsidiary, Sber Trading Swiss AG (STS) Switzerland founded in 2019, focuses on advance and post payments, and also monetization of commodity stocks (commodity repurchase) in physical commodity transactions. The company founded in European jurisdiction helped the bank enter new markets and increase the scale and diversification of commodity transactions. In 2020, Sber has completed transactions in such sectors as oil, gas, coal, base and precious metals, agricultural goods, and fertilizers. Our development was based on hedging amid volatile commodity markets.

Interest rate derivatives, counterparty risk and market risk management

Amid growing volumes of floating rate lending, the demand for interest rate hedging of the Bank of Russia's key rate continues to grow. The trading turnover of key rate derivatives has increased to RUB 2.5 trn. As a result, the total turnover of interest rate derivatives exceeded RUB 4 trn, while Sber's share in interest rate derivatives and currency options in the market has stepped over 50%. Sber has introduced market making of interest-rate swaps on the standardized derivative contracts section of Moscow Exchange.

FOREIGN ECONOMIC ACTIVITIES

In 2020, amidst the pandemic, the decline in the foreign trade business turnover of Sberbank's clients slowed down. However, the turnover of Sberbank's clients decreased less than in the entire market.

Sber has launched the Foreign Trade without Borders service package which is attractive for clients using the services of currency control, cross-border money transfers, and foreign currency sale/purchase. Over 2,800 clients have signed up for the package, of which 70% are new clients of the Bank.

In May, the new online Business Mission service was offered on Bankofpartners.com so as to replace industry-specific fairs and exhibitions canceled due to the pandemic. Russian manufacturers present their products to foreign buyers, and each business mission is organized for a particular product in a particular country. 16 online business missions have been made with China, India, Kazakhstan, the Czech Republic, and Hungary. In total, over 650 companies from Russia and abroad were involved.

In September, SberBusiness introduced a new product, Export Contract Insurance. This product is aimed at supporting Russian SME exporters and has been launched jointly with Exiar Export Insurance Agency. The product covers commercial and political risks.

Since October, large and medium business clients have been offered an electronic bank guarantee against customs payments, that is the guarantee to fulfill the corporate obligations to the Federal Customs Service. You may apply for the guarantee at SberBusiness Online, with a minimum set of documents attached. The bank itself will send the guarantee to the customs service, and the company will not have to withdraw its own funds from circulation or take out a loan.

In December, exporters were offered easy digital access to government services, such as transport and exhibition subsidies, confirmation of 0% VAT rate, customs declaration in the system of Russian Export Center. 11 Federal Executive Authorities took part in creation of the services, while Sber acted as an arranger and a developer. The project has been implemented for 8 months, which is the best result in creation of public services.

From 16 April to 31 August, Sber canceled a fee for the VAT and Excise Tax Refund service; 1,038 electronic bank guarantees were issued for RUB 150 bln.

In August, small and micro business clients were offered the service of express refund of VAT and excise taxes, which made it possible to reduce the tax refunding time for businesses from 72 to 7 days without visiting tax authorities.

The Bank heavily applies AI technology. Any documents that come from clients as part of international payments processing are handled by neural network models of computer vision and machine word processing. This significantly increases the document processing rate and reduces the human factor.

Since 2020, the Bank has applied AI recommendations of banking products to clients. The product offerings to each exporter and importer are generated according to over 300 parameters and sent to different points of contact with clients, revealing even hidden needs of clients.

116 BN USD

is the volume of client foreign trade business serviced by Sber

16.9%

+2 p.p.

share of the Russian foreign trade turnover serviced by Sber

FOREIGN TRADE BUSINESS

Major awards



Digital Communication Awards: Bankofpartners.com is the Silver medalist of the European international competition in the category of websites



Gold Website 2020: Bankofpartners.com:

2nd in the City Portal for Entrepreneurs category



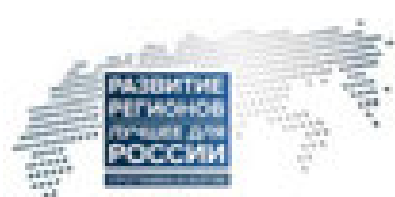
3rd in the Business and Investment Support Website category



Best Social Projects in Russia: Sber's export accelerator on the Bankofpartners.com platform won the Small and Medium Business Support category



Time of Innovations: Online business missions on Bankofpartners.com won the Project of the Year award in the Finance and Consulting category



Regional Development. Best for Russia: Foreign Economic Partnership Development Tribe with all products won the Small Business Support and Development category

TRADE FINANCE

Sber has strengthened its leading position in the Russian escrow account market. In 2020, a new product system for escrow accounts was introduced on the Bank's target IT platform, which made it possible to open an escrow account in the Sberbank Online Mobile App. The introduction of the service of remote opening of escrow accounts reduced the time needed to conclude transactions from several days to several seconds. The service was implemented by integrating the bank's systems with builders' internal systems through SberBusinessAPI.

All transactions with corporate clients involving letters of credit are completed electronically through a personal account in SberBusiness. After redesigning the process, the time required to issue letters of credit was reduced to 10 minutes. Unique box solutions enable to issue certain types of letters of credit fully online in a few seconds. Sber was the first in the market to simplify the fees as much as possible, which made the product more transparent and understandable to the customer.

In 2020, international transactions were signed using trade finance instruments with companies and counterparties from more than 80 countries. Trade finance products are available in 18 countries of Sberbank Group presence, including European and CIS countries. Over the past year, there was a three-fold increase in the volume of intra-group transactions between Group members, which confirmed that the Bank offers one of the best services for servicing cross-border trade flows to its clients, and letters of credit in the small and micro-business client segment were significantly developed.

The number of transactions involving this instrument more than doubled. This was facilitated by the development of simple and comprehensible box solutions for clients, and sales of the product through CLM-presentation and in the partner channel.

Sberbank, with the support of the professional banking and business community, is working extensively with the Bank of Russia and the Russian Government on an initiative to use letters of credit and escrow accounts in public procurements. The proposed solution will make it possible to eliminate the problem of late payments in public procurement and finance companies' working capital.

Sberbank, with the support of the professional banking and business community, is working extensively with the Bank of Russia and the Russian Government on an initiative to use letters of credit and escrow accounts in public procurements. The proposed solution will make it possible to eliminate the problem of late payments in public procurement and finance companies' working capital. Service of remote opening of letters of credit for individuals in mobile turned out to be especially in demand during the pandemic. The number of transactions doubled over the year and reached 160 thousand. Letters of credit are used to purchase real estate, shares, stakes in businesses, art objects, payment for services, etc.

In 2020, Sberbank (Switzerland) AG increased its Commodity Trade Finance business by 1.6 times. CTF products enable clients to raise financing against a pledge of exported goods with subsequent repayment of the loan from the proceeds. Sberbank (Switzerland) AG financed more than 20 mln tons of goods, including oil products, metals and more than 20% of Russian grain exports. The new banking system Avaloq was implemented, reducing operational risks and supporting the scale of business, taking into account the requirements of the regulator.

Sberbank (Switzerland) AG joined Komgo, an international blockchain trade finance platform. The platform allows participants to quickly and safely exchange information, and also accelerates the conclusion of contracts using trade finance instruments.



Best Bank for Trade Finance in Eastern Europe according to the international specialized publication Global Trade Review

4 BN RUB

is the volume of transactions in trade finance and documentary business

+38%

72%

growth of the volume of transactions in Russian domestic trade increased

DEPOSITORY

Sberbank's Depository leads the Russian market of custody services:

10 TN RUB +0.5 tn rub
 client assets under custody

The quality of Depository's services is confirmed with consistently high ratings from the reputable magazine Global Custodian, generated according to the feedback of international clients. According to the 2020 research, Depository has again confirmed its leading position and qualified to get the research awards: Category Outperformer, Market Outperformer, and Global Outperformer.

Sber facilitated the launch of trading of the US stocks on Moscow Exchange for retail brokerage clients further developed the tax procedures of the central Russian depository NCO JSC NSD, and have the services automated.

OTC settlements in ruble structured bonds have been introduced for Sber's brokerage clients.

We have implemented the custody service for trading in Eurobonds with minimum lots, with an external broker.

We have also implemented the custody service with settlements made through a special depository for institutional clients that have brokerage agreements with Sber.

The infrastructure has been prepared for securitization of electronic mortgages and maintenance of mortgage security. We have made the pilot transactions on securitization of Sberbank's electronic mortgages in the amount of RUB 47 bln.

New custody service functions were added for corporate clients at SberBusiness. Our customers are able to submit any orders for transfer or acceptance of securities, view detailed information on securities, and enjoy the calendar of payments on portfolio bonds.

We have automated the customer transactions in the registers of securities holders. We have exercised control over the risk of non-performance of custody account transactions according to the registrar's supporting document.

40
 depository receipt (ADR/GDR) facilities being serviced for the shares of 25 Russian issuers

Sales Network Development

The physical network remains one of Sber’s important competitive advantages. Its potential in Sber is developed by the independent unit Sales Network.

In 2020, the digital branch, the partner channel, and the financial delivery were added to traditional areas managed by Sales Network, such as branches, self-service terminals, rural agent network, external distribution, and distribution of payroll projects.

Against the development of digital tools and transfer of daily banking transactions (payments, transfers, registration of banking products) to remote service channels, the customer flow in branches decreased by 13%. Below 1% of Sber’s branches have been closed throughout Russia in 2020.

Physical network in Russia

	2017	2018	2019	2020
Regional banks	14	12	11	11
Branches	14,389	14,263	14,244	14,162
Branches for corporate clients	779	2,060	2,514	2,529

NETWORK OPERATION AMIDST THE PANDEMIC

The pandemic showed a high demand for the network and made adjustments to its operation.

During the spring wave, Sber’s branches were operating as usual against continued demand for physical service. Adaptive management of office hours and maintaining the required headcount have reduced the waiting time on the days of massive payments. The customer flow was distributed across different waiting areas for minimal contact between people. Branches were switched over to a universal format and became to serve not only individuals, but also legal entities.

Sber did everything to protect its customers and employees as much as possible. Employee health is monitored daily, temperature is measured, and employees are regularly tested for COVID. The employees are provided with medical masks and sanitizers. Pregnant women, people of over 65 years old, employees with chronic diseases, and the management team that is not attached to its workplace, have been transferred to remote work.

Since early March, amidst the pandemic, we have put into effect the special plan for the ATM network, due to which its technical accessibility has risen by 0.5 pp to 96.9% in 2020.

In almost 100 Russian cities, pensioners and people with disabilities were able to get their cards at home (a total of 12,000 bank cards issued), and in 400 cities, 17,000 home deliveries of pensions and benefits were made in the amount of over RUB 420 mln. Sales managers organized on-site signing of mortgage agreements and other documents. Over 4,000 online seminars were held for payroll customers to improve their financial literacy. The scheme has been implemented to cancel any loan debts of healthcare professionals who died when fighting COVID (11 queries were made in the amount of RUB 11 mln).

Sales network development

Against the rapidly changing world, we have begun to implement a new concept of traditional bank branches, Sber. For Life.

E-commerce, sophisticated finance, online services, and smart devices significantly simplify human life and are available in Sales Network, where the employees train, explain and show the modern ways of consumption to customers. By expanding the formats, customizing the service and expanding the range of services offered by non-financial facilities, Sber creates a unique customer experience.

The sales network allows Sber to offer a complete customer journey, especially in new areas, such as e-commerce.

The network is being optimized by changing its formats and developing partner and agent distribution schemes.

3.7 mln customers purchased 4 mln ecosystem products in 2020.

Ecosystem services are available in more and more cities. 57% of all purchases of ecosystem products were those in the Okko online cinema. Sales Network also promoted the products and services of SberLogistics, SberMobile, Delivery Club, CityMobil, SberMarket, and other ecosystem companies.

In November, Sber launched the SberPrime subscription combining several ecosystem services. Over 130,000 customers have purchased the product in branches for two months.

However, product launch and introduction to the market are not the only steps in the ecosystem development. The most important issue is to instruct customers in the benefits of new services. To this end, Sber began to develop a new consulting technology, Edutainment, i.e. education through entertainment. The target of the technology is to explain and teach the capabilities of ecosystem products to customers in a simple and understandable form.

It is not easy for every person to master new technology; such people need help to understand and learn. In addition, customers not only in Sber, but all over the world, still prefer to discuss important financial issues in person in bank branches, which is due to the human psychology specifics. That’s why people continue to come to branches, and face-to-face communication with customers remains one of the key areas of network development for Sber. Sber will do everything to make your stay in the service offices as comfortable as possible.

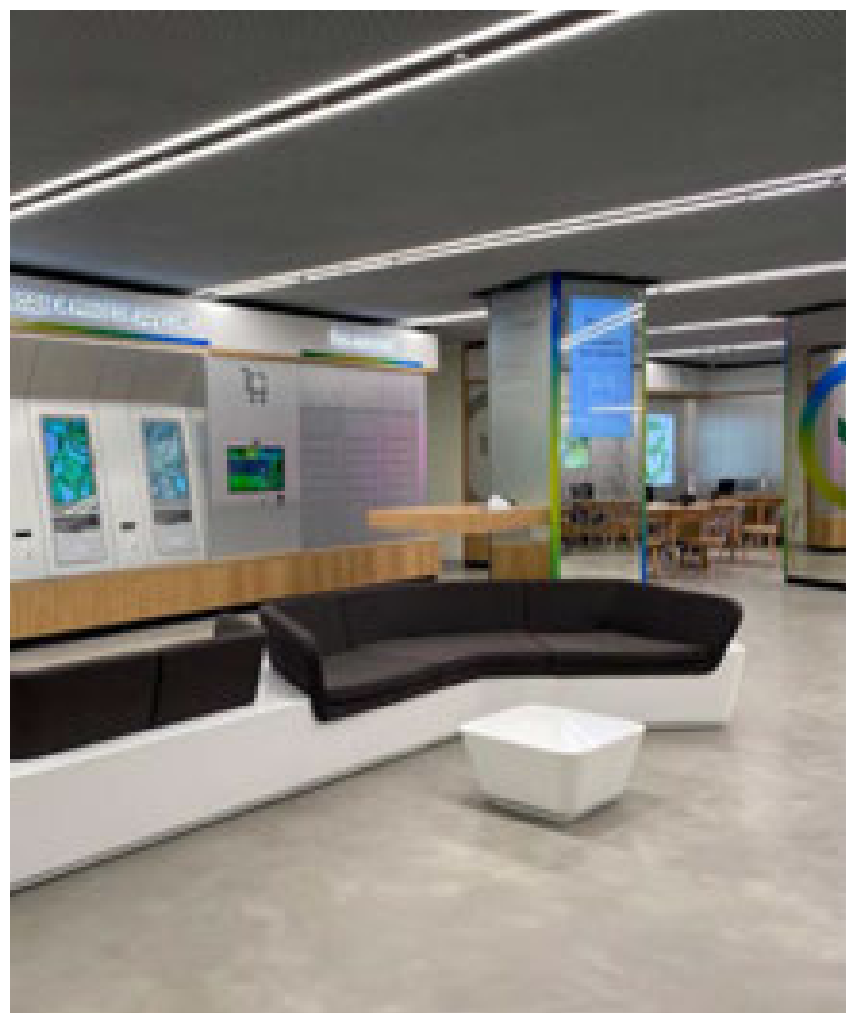
NETWORK OPERATION AMIDST THE PANDEMIC

Branch 2020

No barriers, no glasses.

Branch 2020 is not just a place where people come to withdraw cash, deposit money, take out a loan or get advice; this is a key component of client engagement in the ecosystem. You can come here to test SberBox, get a parcel through SberLogistics, subscribe to SberPrime, make an appointment or work in a coworking space, and take some coffee. A customer and an employee can interact with each other in any part of a branch, using the employee's mobile device. This is especially in demand by young people who generate new traffic to the network.

In 2021, it is planned to reformat 2 to 3 branches per regional center, i.e. about 1,000 branches, and since 2022, new branches will appear in small cities as well.



New formats

Keeping the current branch network, Sber develops **new light network formats** which can be flexibly transformed according to the client features, and locations. In 2020, the first—SberStore, SberMicro and SberPoint (Food), have been opened.

SberStore is a corner where you can get banking services and facilities of the ecosystem, have a look at the interface of new ATMs, test the OKKO online cinema, buy movie tickets, book a taxi at a discount, register a SberMobile SIM card, or just have fresh coffee. All the latest ecosystem innovations first appear here.

SberPoint (Food) has been opened in Vladivostok in a shopping center where guests may concurrently and seamlessly access McDonald's and Sber's key products.

According to the big data on the client profile, geolocation and types of purchases in retail networks and online stores using AI models, we have calculated a new distribution network until 2023. The deployment will start in H1 2021.

In response to the pandemic restrictions, in 2020 Sber launched a pilot remote client service in a physical format, Digital Branch. The format allows the bank clients to consult an employee via video or audio calls or chats with an employee's screen sharing and registration of products in the SBOL PRO system integrated with a client, where it is also possible to remotely execute a number of documents. Sber plans to deploy the technology in 2021.

In 2020, we also introduced a new format of distribution, Financial Delivery, that included off-site document delivery and signing at a client's preliminary request, for example, delivery of bank cards and other banking products, client about 5,600 financial deliveries were made.

NEW SERVICE MODEL

In 2020, Sber has introduced a new service model in 4,700 branches, by replacing the familiar consulting function with two new roles:

01

Service Consultant—

has a tablet and works on the branch floor, i.e. supports clients resolving service issues, instructs on new ecosystem services, gives recommendations on how to use banking products more conveniently and profitably in everyday life.

02

Mobile Sales Manager—

consults and serves a customer at any point of a branch, and, using the SBOL.PRO mobile application on a tablet based on the lead generation technology, can offer the very service that the client needs or has not known about before. This allows us to relieve the queue and save the customers' time.

The network employs 8,500 mobile sales managers and 1,800 service consultants.

INNOVATIVE TECHNOLOGY IN CLIENT SERVICE

Inspired by world technical leaders, Sber implements the best innovative developments and creates own developments, and then introduces clients to new technology and services in its sales network.

All channels of Sales Network actively apply new technology and implement AI into them. The largest number of implementations takes place in bank branches and self-service terminals. Biometrics service is available in 100% of branches and 38% of self-service terminals. This means that a client, instead of presenting a passport, can be identified by face, provided that he/she has submitted the biometric data in advance.

We have implemented the system of IP telephony and speech analytics, which allows recording and recognizing calls from client managers to clients. SmartBage is being tested to record face-to-face meetings with clients, together with Computer Vision systems. They allow us to improve the quality of the service provided to clients and make it more customized.

New technology is first tested in Branch 2020 and then deployed throughout the network. In 2020, SberEYE¹ computer vision technology has been tested and deployed in 500 branches. An AR-tour for a new branch format was created to show the amenities of a new branch, ATMs, and the ecosystem. AI technologies allow us to form an individual approach even to new clients, search for new channels and increase the depth of interaction with clients.

¹ Provides monitoring of emotional atmosphere, control of social distance, visualization of 3d objects, typing of clients

SELF-SERVICE TERMINALS

	2016	2017	2018	2019	2020
Number of self-service terminals, '000	80.3	76.3	78.2	76.9	70.4
incl.					
- with cash recirculation	0.5	2.8	12.6	24.8	32.0
- with contactless technology, '000,			50.8	66.1	63.8
- with customized home screen, '000				69.0	65.7

In 2020, the number of self-service terminals decreased by 10%. Optimized location of ATMs and terminals is based on AI models and more related to cities than villages.

Sber upgrades its fleet of self-service terminals, including through recycling equipment that allows using cash deposited by customers for withdrawal by other customers. Recycling optimizes the cash collection costs and automatically repays the cash left in the terminal to a customer's card, and the incident information is sent to the customer via SMS.

- In 2020, 62% of all Sber's ATMs are equipped with recycling, and over 90% operate using contactless technology and customized home screen
- 97% is the technical accessibility rate of self-service terminals
- The number of customer complaints about self-service terminals decreased by 23%. Such results were achieved, among others, due to replacement of the fleet with more efficient terminals.
- Applying AI models when searching for new locations has reduced the customers' waiting in a queue by 14%.
- 97% of self-service terminals have the interface updated in a style of the new brand.



Self-service terminals offer Sber's customers an almost complete range of banking services, including payments, transfers, and deposit transactions. Today, you can book a taxi, order groceries, or buy movie tickets through a self-service terminal. The range of services is flexible and mobile. The variety of services depends on the actual location of a terminal. For example, if it is located at the airport, then booking a taxi or buying aeroexpress train tickets will be available. In a business center, a customer will be offered to order food for home delivery or buy movie tickets. At the station, the buttons for buying and printing train tickets will be highlighted.

In 2020, Sber announced a new ATM combining modern design and interface, technology and materials, and intuitive ergonomics. ATM looks like a smartphone, with the interface like Sber's mobile applications. They recognize a customer by face and, using voice input, withdraw or deposit cash, and also help booking a taxi or buying movie tickets. Such new ATMs will appear as the fleet is updated; over the next two years, the network will supply several thousand terminals, including 150 new terminals in 2021.

RURAL NETWORK

Sber began to change the technology of customer service in rural branches. In 2020, we started to deploy a new model which provided villagers with the required services, including ecosystem services which had been previously available only in cities.

The Sales Network unit takes part in the Bank of Russia's working group to improve the accessibility and quality of financial services to consumers in remote, sparsely populated and hard-to-reach areas. To increase the availability of banking services in rural areas, Sber implements the partner scheme for withdrawing cash to the population through bank paying agents, i.e. small business representatives that provide services in rural areas.

AGENTS AND PARTNERS

In 2020, Sber continued to develop its rural agent network, increasing the range of available banking transactions. The agents are small business representatives which use Sber's acquiring services in rural areas.

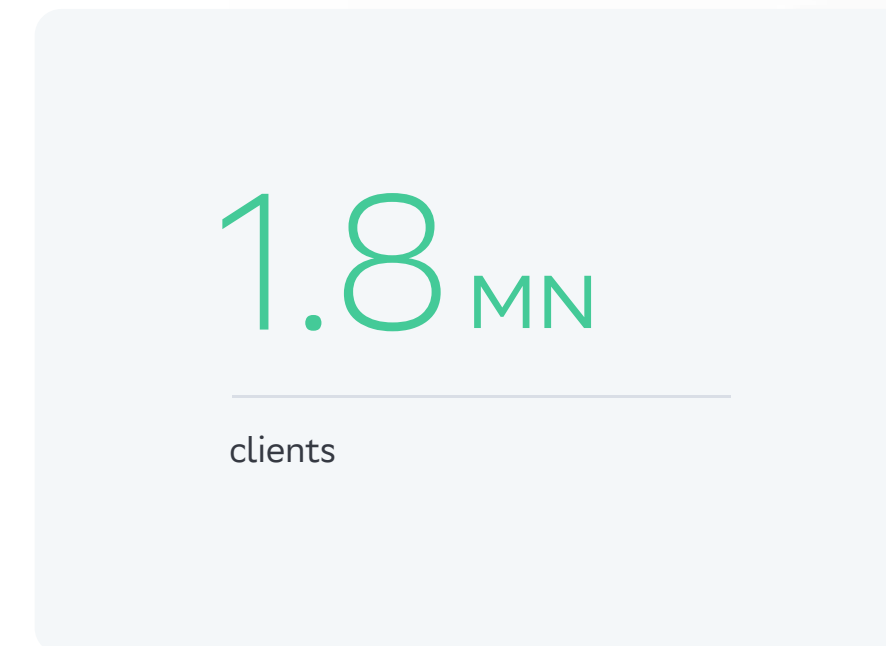
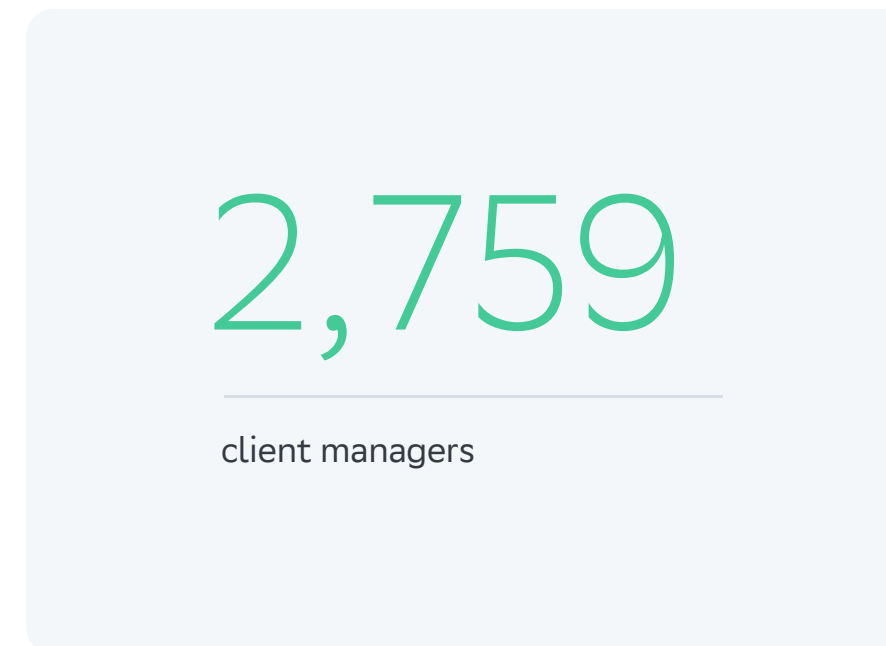
	2018	2019	2020
Agent network points, '000	0.12	3.7	4.2

Today, over 4,000 retail outlets withdraw cash from bank cards at their cash desks. In 2,700 retail outlets, the population can pay for housing and communal services. In 2020, at least 90,000 unique clients used these services. Over 60,000 cash withdrawal transactions totaling about RUB 85 mln are monthly made at stores.

In order to increase the availability of financial services, Sber tests a new sales channel, Agents, in H1 2021. The agents here are individuals who sell the bank and ecosystem products for a fee.

SBER PREMIER

Sber continues to develop its product line for Clients in the high-income segment. SberPremier is one of such services.



In 2020, SberPremier offered its clients to meet with account managers not only in a bank branch, but also on the client premises. To save the clients' time, we have created the service for home delivery of insurance and other documents.

In 2020, Sber has updated the Sberbank Online mobile application for SberPremier clients. Clients now have access to a chat where they can discuss any issues directly with their managers, rather than call center employees. You can also schedule a meeting with a client manager there. The preferential section contains up-to-date offers for Premier clients.



INTELLIGENT MANAGEMENT SYSTEM (IMS)

IMS has become the main management tool of the sales network, covering all management positions of service offices.

New IMS Model for Executives

In 2020, three teal branches have implemented a new model for operations of a branch executive, based on soft skills.

Together with the Laboratory of Neurosciences and Human Behavior, IMS regularly estimates soft skills, following which employees can improve their problem areas on the basis of Sber's Virtual School. We have created a new section where an executive can see what needs to be paid attention to in the team and which employees have already coped with the task and can share the best practice in its solving. The executive can see in IMS not only business hints, but also the best sales and training employees. IMS also reminds of significant dates of colleagues.

All modifications in IMS for management are aimed at boosting positive team spirit that impacts interactions with clients

Gamification in IMS

In order to get the employees interested in professional development and move the teams towards a teal organization, Sber applies gamification in retail IMS.

Each employee can see in the system what skills need to be improved, watch videos with practical tasks, and contact experienced colleagues who are selected by the system. Virtual AI mentor with whom an employee can communicate freely owing to the NLP technology, provides individual tips for onboarding and development in the workplace. IMS now has the Ecosystem Ambassadors section designed to involve branch employees in the products of Sber's ecosystem, including through testing on experience and promotion among customers and friends.

In 2020, gamification in IMS was deployed not only in the branch network, but also in other channels, such as external distribution and payroll project managers. Additional 7,700 employees of these channels have been involved in gamification.

Employees and IMS support experts communicate using the Cyber-Mole AI application which automatically recognizes the subject of an employee's request, selects the most appropriate response, and manages the priority of user requests in an queue. About 20% of feedback in IMS is processed using the AI application. A response to some requests is provided within 1 minute.

TEAL CULTURE

The share of Teal branches rose to 27%. Confidence leads to increased employee engagement. Teal branches show fewer complaints and higher customer satisfaction.

	2018	2019	2020
Teal branches, pcs	441	1,382	1,634

The bank continues testing a flexible management and entrepreneurship model in order to create the best team united by a single customer target and interacting according to the principles of confidence and transparency. These branches manage their own headcount, experiment with motivation, and run the business in their territory without approval of the central office. Control procedures are excluded for them.

Teal branches manage their headcount on the own, experiment with motivation and run business activity without coordination with the head office. No control procedures are applied to them.

MANAGEMENT OF OPERATIONAL RISKS IN THE SALES NETWORK

The sales network actively manages the operational risks of the network.

In order to promptly prevent any fraud, the matrix of response to critical events is triggered for high-risk employees, customers, or transactions. In 2020, owing to the measures implemented to manage the risk atmosphere, over 72% of risks were identified by efforts of the first and second lines (for more details, see the Three Lines of Defense in the Risk Report, page 162).

We have online fraud monitoring calculated according to the risk profile of employees, and the automatic recommendation system helps an executive selecting the most appropriate method to reduce the risk of unlawful actions made by a particular employee. Among them are both employee assistance to remedy the situation and restrictions to reduce potential risks.

Wealth products and transactions through remote service channels are included in the critical transactions of employees. Critical transactions of employees with a negative risk profile and transactions suspended by online fraud monitoring are intensively inspected. We have a smart control over deposit transactions, which reduces the labor costs of the network while maintaining the risk level.

asures have been introduced to counteract social engineering when making disbursement transactions on deposits. We have assessed the operational risks related to 10 ecosystem products tested in branches.

In 2020, two major changes occurred in the management culture, which significantly affected the atmosphere in the branch teams and the level of operational risks. First, the focus of executives has shifted to training and development of branch employees, rather than punishment. Secondly, disciplinary sanctions are centrally generated for a more impartial assessment of an employee's actions. The number of disciplinary sanctions has been reduced by 81% in 2020.

We have assessed the risks amidst the COVID-19 pandemic. We ensured compliance with the cybersecurity requirements for personal data management when employees of the Sales Network unit were transferred to remote work.

SERVICE QUALITY OF THE SALES NETWORK

Developed soft skills of branch employees helps the bank in dealing with customer complaints and requests in branches.

The most common reasons for dissatisfaction are quality of service, hard selling, denial of service, office hours, and slow service. Sber regularly examines any complaints and low estimates, and implements predictive AI models to change the processes for the better. Extremely toxic complaints are considered in assessment of executives.

In order to correct the processes and reduce the number of complaints, Sber has restarted the training system for branch employees on various topics, applies predictive models to identify any employees in need of special care in terms of a particular service, has introduced additional control metrics of problem areas in SMS, and also provides additional information to customers regarding frequent concerns.

Owing to the comprehensive measures taken, we managed to reduce the number of customer requests on the topics by 29%, including complaints by 7%.

TOPICS OF MOST FREQUENT CUSTOMER COMPLAINTS IN THE NETWORK	SHARE IN THE TOTAL NUMBER OF COMPLAINTS IN THE NETWORK
Dissatisfied with the quality of the service provided	34%
Hard selling	16%
Office hours (mainly complaints about quarantine closures and the risk of infection in branches)	12%
Denial of service (often related to legal requirements and anti-fraud bank procedures, the results of passport validity verification)	11%
Slow service (often related to reduced headcount due to sick leaves of employees, and Sber's compliance with the indoor service requirements of Rospotrebnadzor)	10%

Customer satisfaction index, CSI, remained high across all roles

9.5

for branches

9.7

for direct sales channel

9.6

sber premier

9.7

for service managers

Non-Financial Business

In 2020, Sberbank was transformed into Sber: the ecosystem of financial and non-financial services for people and businesses united under a single identifiable umbrella brand.

The Sber ecosystem is focused on meeting the ultimate needs of retail clients, corporations and the government as accurately and timely as possible, and on remaining open to cooperation with any market players and to integration of services.

Sber's non-financial services may be classified as fast-growing industries with the focus on digital experience. They turned out to be very sought-after during the 2020 pandemic, which dramatically strengthened customers' digital habits. The most popular were services in the field of food and consumer goods delivery, as well as entertainment and media services.

Based on results of the three-year Strategy 2020, the following conclusions have been drawn regarding the ecosystem organization:



Sber's brand helps ecosystem companies to grow their business and reduces the client acquisition cost



Marketplaces help to maximize synergies between Sber's B2B and B2C businesses



Comprehensive integration of services into the Sber ecosystem creates seamless customer experience and increases involvement



E-commerce is a priority business area in development of the Sber ecosystem

In 2020, Sber strengthened its positions in some business areas, including acquisition of the leading geolocation service 2GIS, acquisition of the majority stake in SberMarket, consolidation of Rambler Group, launch of its own streaming service SberZvuk, etc.

2020 year-end performance

>50

Companies in Sber ecosystem by the end of 2020

~150 BN

total investments in Sber ecosystem non-financial assets by the end of 2020



Ecosystem services are integrated with the use of technological unifying elements; in 2020, they were supplemented with SberPrime, a subscription service offering access to Sber's services on preferential terms and promoting the customer loyalty growth.

36

technological unifying elements, including Sber ID, SberPay, SberSpasibo and others, ensure the seamless integration of Sber's ecosystem services

16 MLN

clients have the unified customer profile - SberID

Non-Financial Business

Sber's non-financial business is represented in such basic segments as e-commerce, entertainment, FoodTech&Mobility, Health, and B2B services, including the following set of services:



E-commerce

e-commerce and logistic services. The main companies in this subsegment are SberMarket, SberLogistics, Samokat. The further expansion of this subsegment with new marketplaces is planned for 2021.



Entertainment

video and audio streaming and other media services. This subsegment includes the online cinema OKKO and other Rambler media assets, SberZvuk, Soyuzmultfilm.



FoodTech&Mobility

food delivery, taxi and carsharing services. The main companies in this subsegment are Delivery Club, Local Kitchen, Citymobil, YouDrive.



Health

digital services in healthcare, such as telemedicine, online medical appointment booking, house calls, remote patient monitoring, electronic medical records, etc. This subsegment includes SberHealth.



B2B services

non-financial services for legal entities, including

- **Cloud services:** information storage and processing in cloud storages. This subsegment includes SberCloud.
- **Cybersecurity:** services for personal and commercial data protection, protection against cyber attacks. This subsegment includes BI.ZONE.
- **Other services:** marketing services, biometrics and other non-financial services for legal entities.

As part of its non-financial business, Sber provides its clients with mobile virtual network operator, job search, real estate transaction support and other services provided by such companies as Sberbank Telecom, SberDevices, RDW, DomClick.

>60 MN

The monthly audience of Sber's non-financial services

71.4 BN RUB ×2.7 yoy

Non-Financial Business

BASIC EVENTS IN SBER'S NON-FINANCIAL BUSINESS IN 2020



- explosive growth of business indicators for SberMarket, Delivery Club, Okko, SberLogistics affected by the pandemic
- the call center of the telemedicine service DocDoc arranges free online consultations regarding COVID-19 for residents of Russia
- Rabota.ru launches a free job search service “We are hiring”



- Sber and Yandex announce the distribution of assets (the transaction was closed in Q3): Sber sells 45% in Yandex.Market to Yandex (sale profit: RUB 19.8 bn) and consolidates 100% of Yandex.Money (YooMoney after rebranding)
- 2GIS, a mapping service, becomes a part of the Sber ecosystem (72% owned by SberBank, 3% – by O2O)
- JV established by Sber and Mail.ru Group (O2O) announces that it has acquired the food and homeware delivery service Samokat (75.6% owned by O2O)
- Sber launches the SberAuto marketplace to search for and purchase cars
- SberKorus launches free electronic document flow
- SberLogistics extends its geographic reach to 50 regions of Russia
- Multifunctional medical service SberHealth is launched (based at DocDoc)
- Business Environment launches a federal marathon to support entrepreneurs
- Voice2Med, a speech recognition technology developed by STC, is recognized as the best in the world



- Product online conference “SberConf”, where Sber:
 - announces its rebranding
 - launches the family of virtual assistants Salut, TV set-top box SberBox, smart display SberPortal and other devices
 - presents the SberPrime subscription with the access to Sber’s ecosystem services (films, music, food and drug delivery, taxi, mobile communication, cloud storage)
- Sber and Soyuzmultfilm establish a joint venture to develop the animation industry
- Sber launches SberZvuk, a new audio streaming service (based at the Zvooq company)



- Sber acquires the majority stake in SberMarket
- Sber consolidates 100% in Rambler Group which also has 100% of the Khudozhestvenny Cinema on its books
- Sber and Mail.ru Group invest in the Local Kitchen service (84.7% owned by O2O)
- Eapteka becomes a part of the Sber ecosystem, rebranded as SberEapteka
- Sber increases its investments in Evotor up to the majority stake (69% owned by Sber)
- Sber launches SberServices, a service to search for and order professional services for emergency and everyday works
- SberLogistics services become available to individual clients in the country's perimeter

Non-Financial Business

E-COMMERCE SEGMENT



SberMarket is an online service for delivery of food and essential commodities from people’s favorite shops; it works as a digital marketplace for conventional retail chains.

In 2020, SberMarket showed record-breaking figures in the growth of delivered orders, service quality and geographic reach. At the outset of the pandemic, in Q2, SberMarket was scaled up and launched in the country's perimeter- in more than 150 Russian cities and towns—from Kaliningrad to Petropavlovsk-Kamchatsky, including all cities with a million-plus population. SberMarket cooperates with 89 retailers with the product line of over 500,000 items.

The number of orders delivered by the service in 2020 increased by 14.3 times to 5.9 million. The service turnover (with VAT) in 2020 increased by 11.2 times to RUB20.72 bn, which makes SberMarket one of the leading players in the Russian e-grocery segment.

In 2020, SberMarket launched new formats, such as delivery of non-food goods and fast delivery (click-to-eat—28 minutes), a self-pickup option, and connected the first food market—Food City.



SberLogistics provides the full range of logistic services in 82 regional centers of Russia and neighboring localities. The company has its own infrastructure and provides services of courier delivery and delivery to pickup points and lockers available in SberBank branches all over the country, as well as to pickup points of the partner network. The customer base of SberLogistics mainly consists of online commerce companies.

In 2020, the service delivered over 7 million parcels, which was partly due to integration with SberBank Online . During the pandemic, the service introduced a “contactless delivery”.



Samokat is a special grocery delivery service. In 2020, the service coverage was extended and now includes Moscow, Saint Petersburg, Kazan and Nizhny Novgorod. At the year end, the cities covered by the service had 400 warehouse stores (80 in 2019), while the Samokat range included about 2,600 goods, including over 340 store brands. The base of Samokat’s active users increased to 1 million, while the amount of orders increased by over 15 times to 18 million. The service performs over 80,000 deliveries per day. Samokat’s gross revenue in 2020 increased by 23 times—to RUB 9 bn.

ENTERTAINMENT SEGMENT



In 2020, SberBank consolidated 100% of Rambler Group, including the online cinema Okko. Sberbank acquired a non-controlling stake in over 30 popular media assets, including Lenta.ru, Gazeta.ru, Afisha.ru, through Rambler Group.

The monthly audience of Rambler Media is over 64 million unique users. At the same time, many assets set the audience records. In total, users spent 632 million hours on Rambler resources. The highest audience growth (over 40%) was shown by Championat.com, taking into account the cancellation of the UEFA European Football Championship, the Olympic Games and the Ice Hockey World Championship.

Online cinema OKKO is one of absolute leaders in the industry, with 2.6 million of paying users. At the end of 2020, the revenues increased by 57%. Okko was the first in Russia and one of the first in the world to launch the screening of films in 8K on OTT platforms, and during the lockdown it launched the free subscription for the whole family “When We are at Home” with the access to tours and performances (Art Online), broadcasting of rock and pop concerts (Show ON!), online workouts (#FitnessAgainstVirus), a collection of “The Best is for Children” and “Bedtime Stories” shows, a culinary collection (Cooking at Home) and a collection of films about travelling (The Whole World at Home).



The audio streaming service SberZvuk was created on the basis of the Zvooq company. The company rebranding and connection to SberID—only 1.5 months helped to increase the number of active users more than twofold, while the number of new application installations increased by 54%. The number of monthly paying users as of the end of 2020 amounted to 0.8 million.

The service united 40 million songs from leading global rights holders on its platform, including Universal Music Group, Sony Music Entertainment and Warner Music Group, local and independent recording studios, as well as a collection of popular audio books and podcasts.



Sber and Soyuzmultfilm have established a joint venture to develop the Russian animation industry This cooperation will involve creating unique content, primarily children’s animation, and releasing new projects of the studio such as TV shows for children of pre-school and school ages and feature-length films for the family audience. The studio will interact actively with various companies within the Sberbank ecosystem: animated elements may be used in modern technology solutions in such fields as education, medicine, smart spacing.

Non-Financial Business

FOODTECH&MOBILITY SEGMENT (SBER AND MAIL.RU GROUP JV (O2O))



The restaurant food delivery service Delivery Club remains the leader in the growing Food Tech industry. As of the end of 2020, Delivery Club worked in 299 Russian localities, and 39,000 restaurants were connected to the service, which is 2.8 times more than a year before. The service is developing fast and special delivery of food and goods from food chains in more than 100 cities and towns of Russia. In December, the own logistic service of Delivery Club delivered 59% of the total number of orders. At the same time, the service is actively involving Citymobil drivers in its food delivery. In 2020, the number of Delivery Club orders increased by 2.2 times and exceeded 60 million, while the service revenues increased by 2.3 times—to RUB 10 bn.



The food delivery service Local Kitchen works in the format of homemade food cooking only for delivery and controlled 45 kitchens in Moscow as of the end of 2020 (as compared to 29 in January 2020). The amount of orders in 2020 increased by 3.4 times to 5.2 million, while the service revenues increased by 3.7 times to RUB2.6 bn. The service is planning to extend its reach in Moscow and to expand to other cities and towns in 2021.



Citymobil is the second largest player in the Russian taxi market with a growing market share. Against the background of traveling restrictions during the pandemic, the company has managed to transform its business model by offering a dispatch delivery service in C2C and B2B segments.

In 2020, Citymobil had 185 million trips and the turnover of RUB46 bn. The market share in some regions amounted to 30%. The platform improved the traffic control and cost calculation algorithms, which allowed it to increase the percentage of executed orders, to distribute drivers in a more efficient way and to reduce the waiting time. Citymobil has launched a fuel platform for drivers, allowing them to refuel at special prices and pay directly in the application. Moreover, the company continued to develop the market of luxury transport services. Together with SberLeasing, Citymobil has launched a privileged leasing program for taxi depots, and Citymobil is still being integrated with 2GIS maps as part of the program to improve the navigation schemes.

The pandemic restrictions had a significant impact on the carsharing service YouDrive. However, at the year end, this business area showed the revenue growth, and the company managed to increase the car fleet.

HEALTH SEGMENT



The company started its operations in 2012 as the first Russian service for selection of doctors based on patient reviews and in 2017 it was included in the Sber Ecosystem and then was transformed into SberHealth, a marketplace of medical services. The unique customer experience covering all key stages for end users at SberHealth is created by over 220,000 medical practitioners, 87 areas, over 4,000 connected private healthcare facilities, 314,000 reviews, 40 medical specialties. Since its creation, the service has been used by 2.6 people.

In March 2020, the call center of the service started to arrange free online consultations regarding COVID-19 for residents of Russia. Moreover, during the year, SberHealth piloted the monitoring of chronic patients and observation over patients with COVID-19 in 25 regions and transferred it to the development stage in 5 regions. The “house call” project was launched in Moscow. The offering is being expanded in the field of a healthy lifestyle and VHI products.

At the end of 2020, the number of medical appointment bookings increased by 46% to 750,000, while the number of telemedicine consultations increased almost fivefold to 200,000. The number of active users of the service exceeded 1.8 million. The annual revenues increased by 40%.

Non-Financial Business

B2B SERVICES SEGMENT

SBER CLOUD

SberCloud is a cloud-based platform of Sber and a marketplace with IT solutions for the Bank, Ecosystem companies and external clients. The company rents out the cloud infrastructure for small, medium and large businesses. One of the company's most significant projects is Christofari, the only Russian supercomputer designed specifically to work with AI algorithms. In 2020, SberCloud marketed an advanced platform of IaaS and PaaS services for developers (SberCloud.Advanced) and was awarded by CNews as the "Platform Service-2020". The company also marketed a product for the full cycle of work with AI in the cloud (ML Space). At the year end 2020, the cloud technologies showed the revenue growth by more than 20 times—to RUB 3.3 bn and the positive EBITDA.



BI.ZONE serves clients in as many as 10 countries of the world, and its revenues amounted to RUB10 bn; over 70% of these revenues are provided by foreign clients. For more details about BI.ZONE, see the cybersecurity section¹.

¹ For more details on Bi.Zone, see the Cybersecurity section on page 259

СБЕР А

The leader among platforms conducting electronic trade procedures according to 44-ФЗ (44-FZ) and 223-ФЗ (223-FZ). In 2020, it introduced service improvements, which ensured the seamless remote procurement activities for clients, and created a mobile application for the Situation Center for Project Management. Based on SberCloud and its own facilities, Sber A created a cluster for a database of geo-distributed infrastructure of the automated platform system. The number of bank guarantees issued via the platform increased by 70% to 28,000, while their amount increased threefold to RUB 16.5 bn.

ЭВОТОП

The company provides smart online cash registers and a system of services for business automation. The network includes 700,000 smart terminals, while its market share is 71%. The app store has over 500 cloud-based business management services.

СБЕР РЕШЕНИЯ

SberSolutions (Intercomp) is a hi-tech provider of outsourcing services for companies in any industry. The company has been working in the market for 25 years and has 6 service centers in Russia and Kazakhstan.

During the year, the number of its clients increased by 20% to 1,400, while the number of users in the field of online accounting for individual entrepreneurs and tax deductions increased by more than 10,000.

In 2020, the company launched 4 new digital solutions: "Accounting for Individual Entrepreneurs" for the simplified tax system (6%) without employees, the new release of "My Accounting Outsourcing", "Compliance Assistant" and "Preparation of Tax Deductions". The company offered 10 new services, including preparation of consolidated statements and consultations on information security.

In 2020, the company installed 30,000 next-generation SMART-POS terminals focused on small and micro business demands, and presented Evotor Power, a new device for entering the middle and large segment. In 2020, the company's revenues increased threefold.

SBER KORUS

SberKorus is a developer and provider of cloud services for automation of B2B processes for supply chain management and mutual settlements. Its clients are chain stores and their suppliers, logistic and telecom operators, banks, providers of utility services, etc. In 2020, the company was included in the list of backbone IT and telecom companies by the Ministry of Communications and Mass Media and the Government of the Russian Federation. Monthly EDE traffic via SberBusiness online-bank was 1.3 mln documents by the end of 2020, and the number of users of the Document Flow service grew by 40+% during the pandemic. The company is actively developing several IT solutions as part of state-sponsored projects on the Sber's platform.

Деловая среда



In 2020, Business Environment, a platform of knowledge and services for businesses, offered the service "Anti-crisis Aid to Entrepreneurs", the special project for letters of credit "Settlements without Risk", and the course "Crash Course on 115-ФЗ (115-FZ)".

Together with the Ministry of Economic Development of the Russian Federation, it has launched the project "Regional Business School" with online workshops for development of regional teams and the federal marathon for support of entrepreneurs #ДЕЛАЙ (#DO) (1,400 programs were implemented in 50 regions with 60,000 participants). In April, the platform launched the project "That Makes Sense", on which nine workshops were held for 10,000 participants. The customer satisfaction index was 78%.

At the same time, all SberBank branches have been connected to the Business Registration & Remote Account Opening service. During the pandemic, Business Environment was actively used for business registration: the market share for registrations was 15%. Moreover, it has launched the new service for individuals—dSign, allowing them to create electronic signatures and issue them via a mobile app on smartphones.

Non-Financial Business

OTHER NON-FINANCIAL SERVICES

Classified

DomClick—a real estate marketplace (for more details about the service see the “Retail Business” section).

Rabota.ru—a service for job search and recruitment. The portal has over 17 million CVs, 550,000 registered employers, 8,000 paying customers per month, and the monthly audience of over 5 million users.

Its key projects include the free service “Reliable Employer” (job seekers get the assessment of financial indicators and news about any company), “Internships” for students and young professionals, “Auto-selection of CVs” to accelerate the headhunting process. In 2020, together with the Rambler portal, it launched the special service engine rabota.rambler.ru that connected about 65 million users of the Rambler portal with employers represented at the service.

In 2020, Rabota.ru became a leader among the most downloaded mobile apps in the “Job Search” category (594,000 installations). MAU increased by 1.5 times to 5.3 million. The brand awareness increased to 11%.

SberServices—a service for ordering and performing everyday works by self-employed people. A customer selects a service, place, time, specific contractor, specifies order details, while the service finds the nearest contractors. All contractors are checked by the bank using their SberID, payments are made online and receipts are issued. The service offers about 100 services (examples: cleaning, dog walking, tutoring services, massage) in almost 80 cities and towns of Russia.

Biometrics

Speech Technology Center (STC) specializes in speech/face synthesis and recognition, analysis of audio and video information, voice and multimodal biometrics. Based on the STC technologies, Sber is building a single identification platform aimed at improving the service quality for ecosystem clients. The company also implements state-level digitalization projects and cooperates with large companies in retail, healthcare, power industry, transport and education.

The audio stream segmentation (diarization) and speech recognition technology developed by the STC group of companies has won the top honors at the CHiME Speech Separation and Recognition Challenge.

VisionLabs operates in the area of computer vision and machine learning and specializes in developing solutions for face and object recognition. VisionLabs clients are large companies in the financial sector and retail, and state-owned companies. In 2020, its geographic reach was extended to the UAE region. The company has created a new area related to thermal-imaging hardware and software systems and sold first devices of its own design. Together with STC, it implemented a number of “Safe City” projects; face and gesture recognition was integrated into SberPortal, while face recognition, identification and biometric payments were integrated into the acquiring process and operation of Sberbank ATMs. In 2020, the company’s revenues increased twofold.

Communications

Sberte telecom is a mobile virtual network operator (SberMobile brand) whose services are represented in more than 68 regions of Russia. As of the end of 2020, it had about 900,000 retail clients. Moreover, the company serves as a cellular communication service provider for Sber and ecosystem companies. Sberte telecom works mainly with small business companies (over 10,000 active clients with over 30,000 SIM cards).

In 2020, SberMobile launched the virtual SIM card eSIM in the mobile version of Sberbank Online, a new line of attractive tariffs for small businesses, as well as convenient self-service via SberBusinessID. In 2020, it created its own Autotelematics platform to manage the car fleet; it has over 40,000 connected cars. The platform is already used by SberBank, SberLeasing, SberAutopark, Citymobil, SberAuto. In 2020, Sberte telecom’s revenues increased twofold.

Marketing

2GIS is a mapping company, one of the leaders in the geoinformation market. After becoming a part of the Sber ecosystem in 2020, the company is actively integrating its technologies into ecosystem companies.

2GIS was the first in Russia and one of the first in the world to release a navigator for Android Auto. The company has launched the Storefront showing companies’ goods and services in their cards both in the application and on the 2GIS website. The company’s freight navigator was launched in summer 2020 and already covers 100 cities and towns of Russia. The monthly audience of the navigator increased by 14% to 7 million in 2020, while the number of walking route users in high season was more than 5 million (+25% YoY).

In 2020, the revenues from advertising increased by 5% YoY, which exceeds the forecast growth rates for both the advertising market as a whole (-6%) and the online advertising market (+2%). The revenues from selling content products increased by 40% in 2020.

Consumer electronics

SberDevices was established in 2019 to manufacture smart devices, including B2B and B2C devices for the Sber ecosystem with the use of voice technologies and a virtual assistant from the Salut family. The devices provide access to the SberZvuk, Smotreshka and Okko content, and to the CloudGaming platform

In 2020, the company launched the sales of Smartbox/ SberBox / SberPortal devices and the SberBox Prime subscription on sberdevices.ru and through Sber’s retail network channels and concluded contracts with main ecosystem companies for distribution of services via SberDevices surfaces.

Technological Platform

Platform V—Technological transformation

Sber builds its business not on platforms of large market players, but on its own cloud digital platform, in order to control its technological landscape and its future completely. This platform is called Platform V, where V is a universal designation of speed. Platform V is a fundamental component of a strategy that underpins all development plans for our financial and non-financial business. Its further development and implementation remains Sber's key technology investment.

MIGRATION OF BUSINESS TO PLATFORM V

In 2020, Sber completed the stage of Platform V creation and launched the large-scale migration of its core business to the new platform. All new services are now launched only on the new platform.

As part of the new strategy, Sber is going to complete the transfer of core part of its current business to the platform, and the share of IT landscape in the goal state will be 80%.

Not only our banking business but also subsidiaries will use Platform V components. This concerns the main connecting link of our ecosystem - the unifying elements, such as the single customer ID (SberID), the single product catalog, etc. There are already more than 20 of these, and they are all based on the platform.

Today, SberID is used by 16 million customers for identification in ecosystem services. It helps to know customers better and makes the customer journey in the Sber ecosystem truly seamless.

Platform V is much more effective than legacy architectures:

✓ the average transaction cost decreased more than twofold

✓ time to market decreased sevenfold - over 3,000 agile teams are working on the platform at the same time



Technological Platform

TECHNOLOGICAL DEVELOPMENT OF PLATFORM V

Key features of the platform are based on open source solutions, which makes Sber technologically independent.

At the same time, if needed, the platform allows using the best commercial products in the market.

Sber is developing Platform V technologically in many areas; some of them are outlined below.

01

Increasing the speed of product hypotheses testing

For teams within the Platform, Sber is creating specialized tools for quick testing of any hypotheses—new services—on any sample of customers. It saves both time and resources for the business.

02

Developing the low code technology

The low code approach to development almost does not require any manual codes and is suitable for a certain type of applications, when we can create products using a visual designer with the drag-and-drop logic instead of complex programming languages. It accelerates the development and lowers the entry threshold for programmers, i.e. each team member will be able to be directly involved in the development process.

03

Reliability and cybersecurity remain of high priority

The platform has achieved a very high level of reliability, and some components are designed so that they just cannot remain down for more than five minutes per year.

Sber is developing solutions to protect its infrastructure and to implement best global practices in the fields of personal data protection and cyberfraud management, and conducting advanced research in these fields. For more details see the Cybersecurity section¹

High rate of changes and ever-growing volume of operations bring the reliability improvement to the forefront. In this context, Sber is going to use the Autonomous Operations technology for complete exclusion of human factor while making operational decisions.

infrastructure incidents in 2020 decreased by 50% as compared to 2019

¹ <https://www.sberbank.com/ru/compliance/im>

04

Agile transformation

Efficiency of engineers work is one of key issues for serious changes in the IT platform. Sber has conducted one of the most large-scale agile transformations in the world, which involved more than 30,000 people in 20 cities and towns of Russia. The approach to development for agile teams has been changed dramatically, and the production process has been automated completely. Architects and developers have access to an integrated development environment with a wide choice of tools and services.

Data, Infrastructure, Cloud Services

DATA AND AI

Most of Sber’s strategic initiatives are based on deep understanding of our customers. As part of developing the corporate analytics and AI platform “Data Factory”, **time of gaining access to data on a subscription basis in the self-service mode has been decreased considerably** - now it’s no more than one hour.

To enable fast and easy working with AI models, Sber has implemented a single workplace for internal data handling specialists, which includes all the necessary tools for creating and training models. As a result, models are launched into the runtime environment in no more than four hours.

Moreover, an important focus in development is the **cost of big data storage**. Sber has planned a number of initiatives that will help to cut data storage costs up to fourfold over the next three years.

INFRASTRUCTURE AND RELIABILITY

Increase in infrastructure efficiency is one of the main IT issues for Sber. Over the past few years, Sber has taken solid steps in this area.

Sber has created its **own internal cloud**, where developers have over 90% of their infrastructure. It has not only dramatically accelerated the provision of capacity from several weeks to just five minutes, but also changed the whole user experience.

Sber has implemented a **tariff-based IT management model**, which makes our costs as transparent as possible, including infrastructure costs, and covers more than 80% of all IT-related costs.

The next performance step-up is the **adoption of the Software-Defined Everything approach**.

NEW TECHNOLOGICAL PRODUCTS

In addition to internal technological services, Sber has started to market new technological products and there were two reasons to do that.

An external reason is related to the general digital transformation, which became the main factor of social development: the business is striving for maximum digitization and customers are changing their habits. The pandemic and related restrictions only accelerated this trend. An internal reason is that Sber’s IT landscape has also changed in the course of transformation into IT company: a wide range of first-class technological solutions was created and the best of them will be offered in the market.

As a rule, various infrastructure elements have underutilized resources: computation capacity, storage, etc., which significantly decreases the equipment efficiency while working with large volumes. Upon introduction of the new approach, Sber will bring the equipment utilization to the level of global leaders. It is important, because each additional percentage point of increased utilization yields billions of rubles in savings.

One more important part of infrastructure is related to the **remote access for employees**. The 2020 pandemic posed a new challenge for Sber: to transfer employees to work from home and to arrange remote interaction between teams as fast as possible. Sber has adapted production process tools specifically for its development teams. As a result, tens of thousands of IT employees are working efficiently from home. If needed, Sber can transfer the whole technology team to remote mode.

SBERCLOUD CLOUD BUSINESS

Russian companies and government organizations has started to change over from their own data centers to cloud solutions, as Sber had already done by building its own private cloud.

Such solutions are much more efficient, reliable and cheaper and make the market launch for new products much faster.

Sber offers cloud services for everyone—from individual developers to large business and government.

The SberCloud subsidiary serves as the basis for developing a cloud platform providing its services to companies for efficient business development. In this case, companies do not spend resources to create their own IT infrastructure, but focus on their core activities.

According to the Strategy 2023, Sber is pursuing an ambitious goal—to offer technological solutions at the federal and regional levels, particularly with the focus on digital industry solutions for transport, social sector, security, energy efficiency and other areas.

>60

SberCloud offers more than 60 products, from basic infrastructure to ready-made business applications.

SberCloud has been recognized as the best platform service of the year (CNews AWARDS 2020).



Sber’s AI Cloud has been recognized as the best new product of the year in the field of artificial intelligence (IT World Awards).

A special part in the line of Sber’s cloud services is played by AI Cloud. It is a whole group of products helping to solve AI-related problems. Today, nearly all of Sber’s solutions are more or less driven by AI algorithms.

While initially training of AI models took many months, now it takes days or even minutes. It was largely made possible by the Christofari, the Russia’s most powerful supercomputer. Its capacity is also available to customers from SberCloud.

AI Cloud covers the entire range of needs, from creation to implementation of machine learning models, and lowers the entry barrier for all consumers, not necessarily professional data scientists.

The broad range of highly mature products result in the rapid growth of SberCloud popularity among customers. In 2020, it is growing eight times faster than Russia’s broader cloud market, which expands by 30% per year on average.



Applications of Artificial Intelligence

Virtual assistants are unique in that they are almost omnipresent: from your kitchen to bedroom, from a stationary set of speakers to headphones for jogging.

It means that assistants help people in various areas of their life and create a brand new experience of interaction with services. The largest IT companies develop virtual assistants to get the incredible array of consumer information being a source of competitive advantages and revenues. The market of virtual assistants is continuing to grow rapidly, and Sber is becoming its most active player.

In September 2020, Sberbank released a virtual assistant "Salute" with three characters with different personalities. Clients can choose an assistant according to their spirit and change it at any time.

The capabilities of the Salyut family are much wider than those of conventional mobile applications. By connecting the services of the Sberbank ecosystem to Salut, Salut will become a part of the customers' daily life. With it, you can turn on a movie or music, order food, make an appointment with a doctor and talk about various topics. Salute perceives voice, text, touch and even gestures.

Sber began to create smart devices especially for virtual assistants. Released SberBox TV Box and SberPortal Smart Display. These devices enhance the interaction with the assistant. If in the Sberbank Online mobile application the Salute assistant is optimized for working with finances, then SberBox and SberPortal will be more convenient for viewing recipes, learning languages, games and much more. Sber also plans to integrate the assistant into partner devices.

SmartMarket becomes a new entry point to Sber ecosystem. It's for the first time that Sber has opened its channels for external business: entrepreneurs, startups, small-, medium- and large businesses. The platform is convenient for not only for experts - many skills can be obtained without coding. The platform also offers a range of templates and design tools for those reluctant or unable to code. SmartMarket enables any company can obtain new skills, test them, adjust and launch

By opening the virtual shelf of SmartMarket applications to all partners, Sberbank gave them access to more than 100 million customers in its ecosystem. The partnership between developers and Sberbank is beneficial to both parties and is based on the revenue share model.



«SberBox»



«SberPortal»

DEVELOPER ENVIRONMENT, IT SUPPORT FOR EMPLOYEES

It is impossible to accomplish all of these ambitious objectives without a strong team.

Sber now employs more than 40,000 IT engineers of various specialties: analysts, developers, architects and designers. Sber recruits thousands of engineers annually and thousands more receive continuous training at the workplace in Sber.

40k

IT engineers work for Sber

In particular, Sber uses one of the most advanced tools - Sber IT BootCamp. It is an innovative platform for specialists who have just joined Sber and for those who are undergoing re-training. In the course of intensive training, they get to know development tools and practices directly on the Sber's platform. This helps them to reach the peak productivity in a very short time.

Innovations

Our ambition to be the technology leader requires continuous studying and creating world-class innovative solutions. That's why Sber has been investing in R&D, including the fundamental research, for years, in order to provide the long-term technological advantage. Our units study thoroughly new technologies that may affect our business. They create new solutions, the most efficient of which are immediately built in products and services.

The research in Sber is conducted in top-priority areas corresponding to the competitive environment of the global technology market.

1. Virtual and augmented reality, gamification, human-machine interaction and interfaces
2. Artificial intelligence and robotics
3. Cybersecurity
4. Blockchain
5. Smart city and smart transport
6. Biomedical technologies
7. Cloud technologies
8. Neurosciences and human behavior
9. Internet of things
10. Customer experience and new sales techniques

The whole organization is involved in the R&D process—labs, engineering and business units, Ecosystem companies.

In order to coordinate all participants, an end-to-end process for research and innovation management has been implemented in Sber Group.

Moreover, Sber cooperates with a large number of Russian and international partners, including tech companies, universities and scientific centers.

Key results of research activities for 2020:

>160

Over 160 applied studies have proved to be effective and have been transferred to business units for implementation.

37

academic papers and articles have been published

47

patents have been obtained and 29 applications have been filed



Innovations

BEST EXAMPLES OF RESEARCH INITIATIVES IMPLEMENTED IN 2020

01

A trading platform for renewable energy certificates (REC)

The first REC trading transaction in Russia has been closed on Sber's own cloud blockchain platform. Parties to the transaction were the bank's key partners—Solar Systems and KuibyshevAzot. The Sber's blockchain platform guarantees that the energy was from renewable sources and ensures the transparency of all operations with REC for our customers.

02

Disinfectant robot

In early 2020, the Robotics Lab created a prototype of robot for automatic indoor disinfection with absolute safety for people. Robotization of sanitary treatment extends the boundaries of disinfection: while previously the UV treatment was mainly used in medicine, now it can be used to disinfect any types of premises: offices, schools and other public institutions.



03

Self-driving car

In December 2020, SberAutoTech started to test motorcar-based autonomous vehicles in the streets of Moscow. In the nearest future, such vehicles will allow us to cut the transport costs considerably, with the concurrent decrease in the number of road accidents.



04

AI for humanities: ruGPT-3

RuGPT-3 is a unique open-source solution for Russian language developed by Sber's research team and able to generate very complex meaningful texts based on only one query in 'human' language. For example, it can help to write a code based on the query: "make a website for my online store", conceive a business idea for new startups, write new popular scientific articles and propose solutions for socially important problems.

Accelerators

In 2020, Sber continued its active engagement in the development of technology entrepreneurship in Russia and broadened the target audience in this area. Not only new users of Sber technology entrepreneurship programs, but also partners—corporations, investment funds, business angels, universities and ministries—joined to build a startup ecosystem.

Cooperation with such players of venture and innovation industries will support the systematic efforts to promote and develop the startup industry in Russia and ensure its continuity. Together with partners to its initiatives, Sberbank can become the first user of startup products which would help improve its activities and enhance customer loyalty.

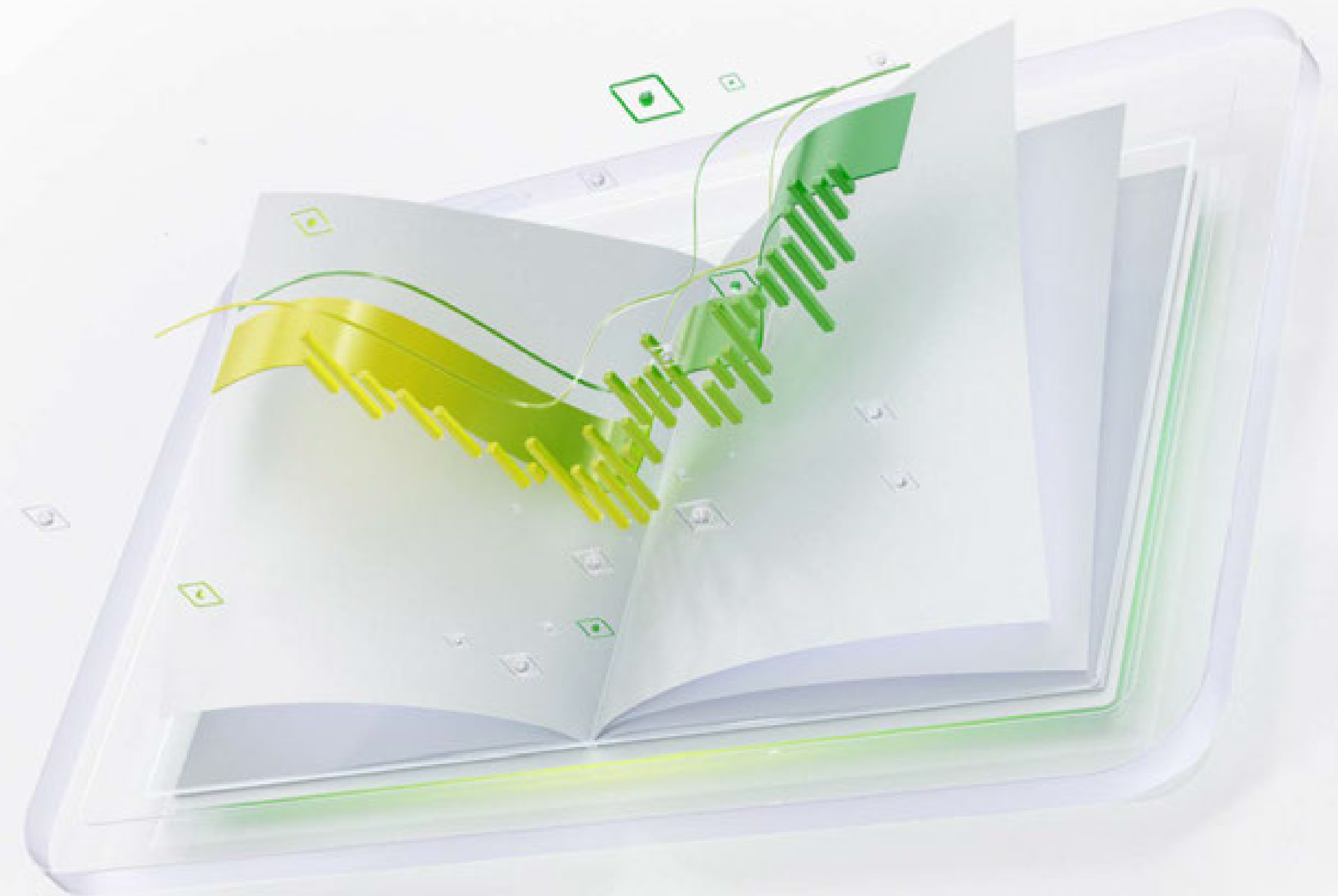
SCHOOL ACCELERATOR SBERZ

Along with its programs to design and develop projects for established market startups and emerging startups of the ecosystem employees, Sber's portfolio has a program targeted, on the one hand, at development of entrepreneurial skills, and, on the other, skills of the 21st century among high school students—SberZ, an accelerator for students of 8 to 11 grades. In 2020, its pilot wave in collaboration with Department of Education and Science of Moscow was completed. The accelerator helps students begin a journey through the full cycle of establishing their own first business—from idea to company launch.

In 2020, such training was provided to 100 students, with 8 teams that reached the final—all of them created their first commercial products, 4 of which launched their own businesses and even earned first revenue. Following successful completion of the pilot, a decision was taken to roll out the school accelerator SberZ to 33 regions of Russia. Nowadays, up to 10,000 students of 8 to 11 grades from more than 500 schools from different parts of our country may participate in this program.



SberZ—accelerator for students in grades 8-11



SBER500 ACCELERATOR

The program of Sber500, the only and first ever joint Russian-American accelerator established by Sber in partnership with 500 Startups, investment fund ranked second overall globally, is still underway. The accelerator demonstrates the highest performance in Russia: its graduates have attracted 3 times more investment and implemented 5 times more pilot projects/signed contracts compared to other accelerators. Over the past year, the Sber500 graduates from RPA, fintech, legaltech, AR and Adtech industries have concluded 20 contracts with Sber ecosystem, which is 50+ pilot projects; 90+ pilot projects are under discussion of launch. Also, the accelerator participants have attracted RUB 200 million of investment from Sber and RUB 400 million from external investors.

In the 2020 wave, Sber provided an opportunity for not only Russian startups, but also for startups from Israel, Kazakhstan, Belarus, Estonia, Latvia and Lithuania to join the accelerator, and increased the number of participants from 25 to 500 in order to give a chance for development and investment to a wider audience.

The global pandemic has exhibited a beneficial effect on the program: a shift to online training enabled entrepreneurs from any corner of the world to take part in the accelerator. The best of them will have the opportunity to attract investment from Fort Ross Seed Fund and a dozen partner funds to the program, as well as build integration with more than 60 companies in Sber ecosystem and Sber500 partners.

This time, more than 50 corporations and venture funds became partners to Accelerator—such close interaction will allow startups to find large customers, mentors and investors. And partners will gain the advantage of pioneering innovative projects, the quality of which has been tested, including by Silicon Valley experts.



In addition to economic benefits, integration with multiple startups has a social effect. As a case in point, Legium—a fintech startup, which offers online document-signing solution—not only streamlines the cost of document signing by 20 times and speeds up document flow by 85%, but also makes it possible for every its client to save 3 trees every year.

INTERNAL SBER ACCELERATOR

2020 was also marked by the completion of the third wave of Sber#up – a corporate accelerator for employees of Sber ecosystem. Its finalists, who came only with an idea or prototype of the product, made their first sales with up to RUB 1 million monthly turnover in 6 months and attracted external investment.

The finalists of the first two waves continued to develop their projects in 2020, helping people find such important and essential components of successful life as job and love. As a case in point, startup “Assessment of a Business Idea” (formerly called Start-up@Check-up), a graduate of the first wave, has drawn up more than 9,000 automated business plans for people who want to start their own business; and SberDating (formerly VanLav), a second wave graduate, which relying on knowledge about Sber ecosystem employees and the AI, kept finding interesting acquaintances and contributed to building couples—several of them even gained family happiness and got married.

In December 2020, the fourth wave of SberUp was launched, which, in addition to traditional acceleration program, provided an opportunity to undergo training on the basics steps of building a startup for each employee of Sber ecosystem.

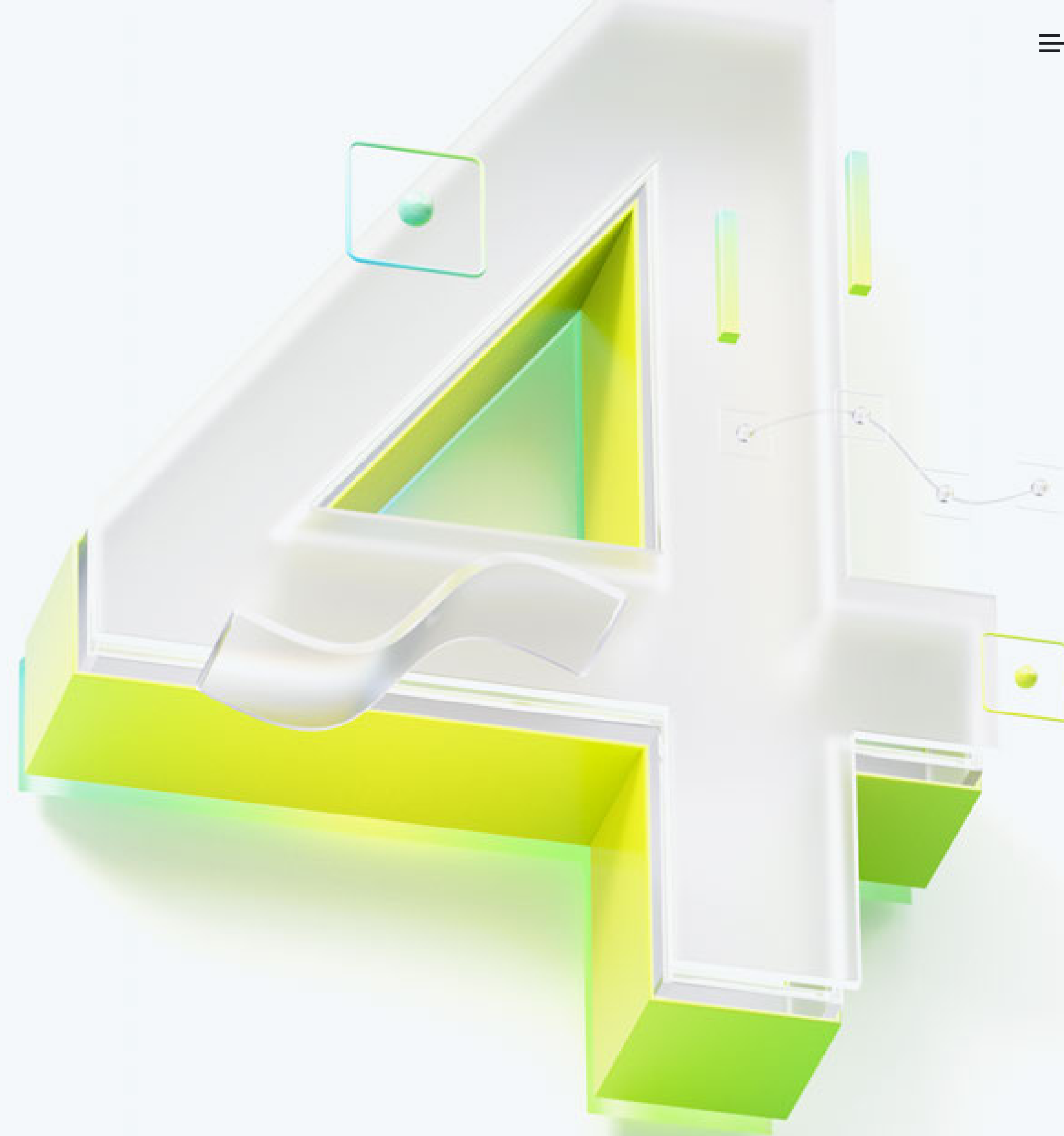


SberUp—corporate accelerator for employees of the Sberbank ecosystem

Corporate Governance

90	Corporate Governance
91	Highlights of the 2020 Corporate Year
93	Characteristics of the Corporate Governance System
94	Sberbank's Corporate Governance Principles
96	Elements of the Corporate Governance System
97	Compliance with the Corporate Governance Code of the Bank of Russia
98	General Meeting of Shareholders
100	Supervisory Board
112	Supervisory Board Committees
118	Corporate Governance Development Trends

119	Executive Bodies
124	Corporate Secretary
125	Audit and Control System
129	Remuneration System
132	Compliance
136	Share Capital
139	Communication with Investors and Shareholders
143	Major Transactions
143	Related-Party Transactions



Corporate Governance

The corporate governance system at Sberbank is the system of interrelations among the shareholders (owners), the Supervisory Board, management and other stakeholders, which sets out the rules and procedures for making corporate decisions and ensures due management and control over Sberbank's activities.

Sberbank closely monitors changes in corporate legislation and new corporate governance practices in Russia and abroad while complying with:

- Recommendations of the Basel Committee on Banking Supervision and the Financial Stability Board for financial institutions
- Principles and recommendations set out in the Corporate Governance Code of the Bank of Russia, as well as other requirements of the regulator (the Bank of Russia) in the area of corporate governance
- Requirements of the Listing Rules of the Moscow Exchange, the London Stock Exchange and the Frankfurt Stock Exchange
- G20/OECD Corporate Governance Principles
- International norms and principles set forth in international standards on corporate social responsibility and sustainable development: ISO 26000, AA1000, as well as information disclosure standards developed by GRI (Global Reporting Initiative).



Highlights of the 2020 Corporate Year



Change of majority shareholder

On 10 April 2020, the controlling shareholder of PJSC Sberbank changed in accordance with Federal Law of 18 March 2020 No. 50-FZ On the Acquisition by the Government of the Russian Federation of Common Shares of PJSC Sberbank from the Central Bank of the Russian Federation and Invalidation of Certain Provisions of Legislative Acts of the Russian Federation.

The Russian Federation represented by the Ministry of Finance of the Russian Federation (the Ministry of Finance) acquired 11,293,474,000 common registered shares of PJSC Sberbank (50% of the charter capital, or 52.32% of the total number of voting shares of Sberbank) from the Russian Central Bank (the Bank of Russia).

The transaction price of RUB 189.44 per share was a weighted average price determined based on the results of organized trading at Moscow Exchange for the period from 9 March 2020 to 7 April 2020. The total transaction amount was RUB 2,139,435.71 million.

The remaining one common voting share of Sberbank was transferred to the Ministry of Finance by the Bank of Russia on 30 April 2020 after the Shareholder Agreement had been made.

Thus, currently, the Russian Federation represented by the Ministry of Finance is the controlling shareholder of Sberbank owning 50% + 1 voting share in Sberbank's charter capital.



The Shareholder Agreement

On 30 April 2020, the Shareholder Agreement was made between the Bank of Russia and the Russian Government represented by the Ministry of Finance to guarantee the rights and legitimate interests of participants in corporate relations, primarily minority shareholders of Sberbank, as well as maintaining the continuity of corporate governance and the Sberbank Development Strategy.

According to the Agreement, government employees and persons who are members of the Supervisory Board of PJSC Sberbank pursuant to the Agreement on Representing the Interests of the Russian Government are independent in making decisions and voting on issues on the agenda of meetings of the Supervisory Board.

At the same time, the Agreement defines a list of matters on which state representatives must vote as directed by the Government:

- Approval of the agenda of Sberbank's General Meeting of Shareholders
- Election (re-election) of the Chairman of the Supervisory Board of Sberbank
- Formation of Sberbank's sole executive body and early termination of its powers
- Recommended dividend amount and a procedure for dividend payment, as well as approval of the bank's dividend policy

The Shareholder Agreement can be found on the corporate website at sberbank.com/common/img/uploaded/files/info/sh_agreement_rus.pdf

Highlights of the 2020 Corporate Year

3

Approval of the new Strategy and Dividend Policy

As part of the preparation of the new Sber Development Strategy up to 2023, the representatives of the Sber team responsible for the development of the Strategy worked closely in stages with the members of the Supervisory Board of SberBank.

In September and October 2020, individual meetings of the Strategy development team with members of the Supervisory Board took place, as well as subsequent analysis and processing of the feedback received.

<p>13 OCTOBER</p> <p>A meeting of the Supervisory Board considered macroeconomic prerequisites and the main areas of Strategy 2023.</p>	<p>10 NOVEMBER</p> <p>The Supervisory Board approved Sber's new Development Strategy for the period of 2023, which was later presented by the bank's top managers as part of Sber's two-day Investor Day, held on November 30–December 1, 2020</p>
<p>27 OCTOBER</p> <p>The Strategy was presented to the Strategic Planning and Sustainable Development Committee for preliminary consideration.</p>	<p>At its meeting on November 10, 2020, the Supervisory Board also approved a new version of the dividend policy, which, for the first time in the history of Sber, stated the bank's intention to maintain a dividend payout ratio of 50% of the IFRS net profit of the Sber Group.</p> <p>This rule has already been applied when paying dividends at the end of 2019. Sber paid a record dividend of 422.4 billion rubles (50% of net profit) to shareholders. Over 200 billion was paid to the majority shareholder (the state) and was directed to the budget of the Russian Federation. No company has ever before added such a large sum to the Russian budget.</p>

To catch on Sber 2023 Development Strategy see the link: [sberbank.com/investorday](https://www.sberbank.com/investorday)

See Sber' Dividend policy : https://www.sberbank.com/common/img/uploaded/files/pdf/normative_docs/dividend-policy-2020-new-en.pdf

4

Updates to Sberbank's Corporate Governance Code

On 8 December 2020, the Supervisory Board approved a new version of the Corporate Governance Code of PJSC Sberbank. The first version of the Code prepared taking into account the recommendations of the Corporate Governance Code of the Bank of Russia was approved by the Supervisory Board in 2015.

Since 2015, regulatory requirements have changed, the bank has improved its corporate governance procedures and practices, created the Sber ecosystem combining the bank and companies of its group and offering financial, non-financial and innovative technological products to customers, sustainable development and ESG matters have become the focus of Sberbank's attention, the new Development Strategy 2023 has been adopted ultimately leading to the need to revise the Code.

The updated version of the Code reflects the following: change of the bank's controlling shareholder; expanding the remit of the Supervisory Board with powers to elect the Chief Executive Officer, Chairman of the Executive Board; implementation of procedures for ensuring succession of the Supervisory Board members; formalized approaches to managing controlled companies; digital transformation of corporate governance processes; adherence to international sustainable development standards and ESG principles; changes related to the transformation of the bank into a technology company and building an ecosystem; changing regulatory requirements, developing international and national corporate governance practices.

The key benefit of the updated Code in comparison with its previous version is the elaboration of eleven principles of Sberbank's corporate governance.

The updated Corporate Governance Code of PJSC Sberbank is available on its corporate website at https://www.sberbank.com/common/img/uploaded/files/pdf/normative_docs/code_of_corporate_governance_of_sberbank_ru.pdf

Characteristics of the Corporate Governance System

Ownership structure	Majority shareholder (Russian Federation): 50% + 1 voting share The rest of the shares are free float	sberbank.com/common/img/uploaded/files/pdf/affecting_persons.pdf
Other shareholders holding more than 1% and more than 5% of the charter capital	✗	
Total number of shareholders	>600 000	sberbank.com/common/img/uploaded/pdf/shareholder_structure_2020_ru.pdf
Committee for Minority Shareholder Relations	✓	sberminor.ru
Listing of shares	✓	Московская биржа
Listing of depositary receipts	✓	Лондонская биржа, Франкфуртская биржа
National Corporate Governance Rating	8+ for Advanced Corporate Governance Practices	sberbank.com/common/img/uploaded/files/pdf/normative_docs/rating_of_corporate_governance.pdf
Supervisory Board	✓	sberbank.com/ru/investor-relations/corporate-governance/supervisory_board
Collective Executive Body (the Executive Board)	✓	sberbank.com/ru/investor-relations/corporate-governance/sberbank-executive-board/president
Sole Executive Body (Chief Executive Officer, Chairman of the Executive Board)	✓	
External audit	✓	
Audit Commission	✗	
Corporate Secretary	✓	sberbank.com/ru/investor-relations/corporate-governance/sberbank-corporate-secretary/tsvetkov

Risk management units	✓	
Internal control units	✓	
Internal audit units	✓	
Development strategy	✓	sberbank.com/common/img/uploaded/files/info/sber_investor_day_strategy_2023_ru.pdf
Dividend policy	✓	sberbank.com/common/img/uploaded/files/pdf/normative_docs/dividend-policy-2020-new.pdf
Corporate Governance Code	✓	sberbank.com/common/img/uploaded/files/pdf/normative_docs/code_of_corporate_governance_of_sberbank_ru_new.pdf
Code of Ethics	✓	sberbank.com/common/img/uploaded/files/pdf/normative_docs/sberbank_code_of_corporate_ethics.pdf
Anti-corruption policy	✓	sberbank.com/common/img/uploaded/files/pdf/normative_docs/sberbank_code_of_corporate_ethics.pdf
Information policy	✓	sberbank.com/common/img/uploaded/files/pdf/normative_docs/informatsionnaya_politika_rus.pdf
IFRS financial statements	✓	sberbank.com/ru/investor-relations/reports-and-publications/ifrs
Non-financial reporting	✓	sberbank.com/ru/investor-relations/reports-and-publications/ifrs
Priority sustainable development goals	✓	sberbank.com/common/img/uploaded/files/pdf/normative_docs/sberbank_code_of_corporate_ethics.pdf
Curator for ESG on the Supervisory Board	✓	sberbank.com/ru/investor-relations/corporate-governance/supervisory_board/nadya-wells
Curator for ESG on the Executive Board	✓	sberbank.com/ru/investor-relations/corporate-governance/sberbank-executive-board/vedyakhin

Sberbank's Corporate Governance Principles

Sberbank's corporate governance system is based on the following principles developed by the bank in accordance with the requirements of the legislation and best practices in corporate governance:

01

Unconditional observance of rights and interests of shareholders

This principle stipulates the powers of Sberbank shareholders to make the most important decisions: approval of the Charter and other documents governing the activities of the Supervisory Board and the executive bodies of the bank; distribution of profits; election of Supervisory Board members; appointment of the bank's audit firm.

02

Delineation of powers and accountability between the management and executive bodies of the bank in relation to business management

The principle is implemented through a clear division of powers between the management and executive bodies of the bank as required by Russian laws and the provisions of the bank's Charter approved by the General Meeting of Shareholders.

03

Effective operation of the Supervisory Board

The principle is implemented through the members of the Supervisory Board understanding the needs of the business and their role in the development of the bank; high individual and collective qualifications; continuity; annual performance assessment of the Supervisory Board; quality fulfillment by the Supervisory Board Chairman of his tasks; a developed structure of the Supervisory Board committees; professional support from the Corporate Secretary; access of Supervisory Board members to modern working conditions in terms of technology and organization.

04

Accountability of executive bodies

The principle is implemented through the accountability of the bank's executive bodies to the Supervisory Board, which in turn, through the HR and Remuneration Committee, monitors the implementation of the bank's continuity policy for the executive bodies and the policy for their accountability to the General Meeting of Shareholders.

05

Effective performance and independence of the Corporate Secretary

Sberbank has established a Corporate Secretary position to promote comprehensive implementation of the bank's corporate governance policy. The bank takes the necessary measures to ensure the independence of the Corporate Secretary, creates conditions for their effective performance.

06

Transparent and well-balanced remuneration system of the Supervisory Board and executive bodies

The existing system of motivation and remuneration of members of the Supervisory Board and executive bodies is transparent and aimed at supporting the implementation of the bank's strategic goals, ensuring financial stability, and, in the case of remuneration of executive bodies, also at bringing individual remuneration in line with the results achieved, the nature and scale of operations performed by the bank, the results of its activities, the level and combination of risks taken.

Sberbank's Corporate Governance Principles

Sberbank's corporate governance system is based on the following principles developed by the bank in accordance with the requirements of the legislation and best practices in corporate governance:

07

High standards of corporate culture and business ethics

The principle is realized through the creation of a healthy and effective corporate culture that contributes to confidence-building. Members of the Supervisory Board and executive bodies lead by example following high standards of business behavior and ethics, contribute to strengthening the bank's business reputation, strictly comply with the legislation of the Russian Federation and internal regulations on conflicts of interest, corruption, use of confidential and insider information requiring the same responsible behavior from bank employees.

08

Well-balanced and effective internal control and risk management systems

The principle is implemented through the creation of an effective system of internal control and risk management in line with the best international generally accepted concepts and practices that fully satisfies regulatory requirements. The Supervisory Board is responsible for defining the principles and approaches to the organization of internal control and risk management systems, supervises the effectiveness of these systems and takes necessary measures if any faults are discovered. The executive bodies ensure the creation and maintenance of effective internal control and risk management systems and are responsible for the implementation of the Supervisory Board decisions in these areas.

09

Creation of appropriate corporate governance mechanisms in controlled companies

The principle is implemented through the interaction of Sberbank with controlled companies, taking into account the specifics of their activities, legal framework and the business environment in order to support further balanced development of controlled companies. The interaction takes full advantage of the use of centralized resources, group-wide policies and management approaches of the bank.

10

Information transparency

The principle is implemented through maintaining an active open dialog with shareholders, investors and other stakeholders. The bank's information transparency is based on the principles of completeness, reliability, accessibility, balance of disclosed information, as well as the regularity and timeliness of its disclosure. Access to public information, except in cases established by Russian laws, is provided by the bank free of charge and does not require any special procedures (obtaining passwords, registration or other technical restrictions).

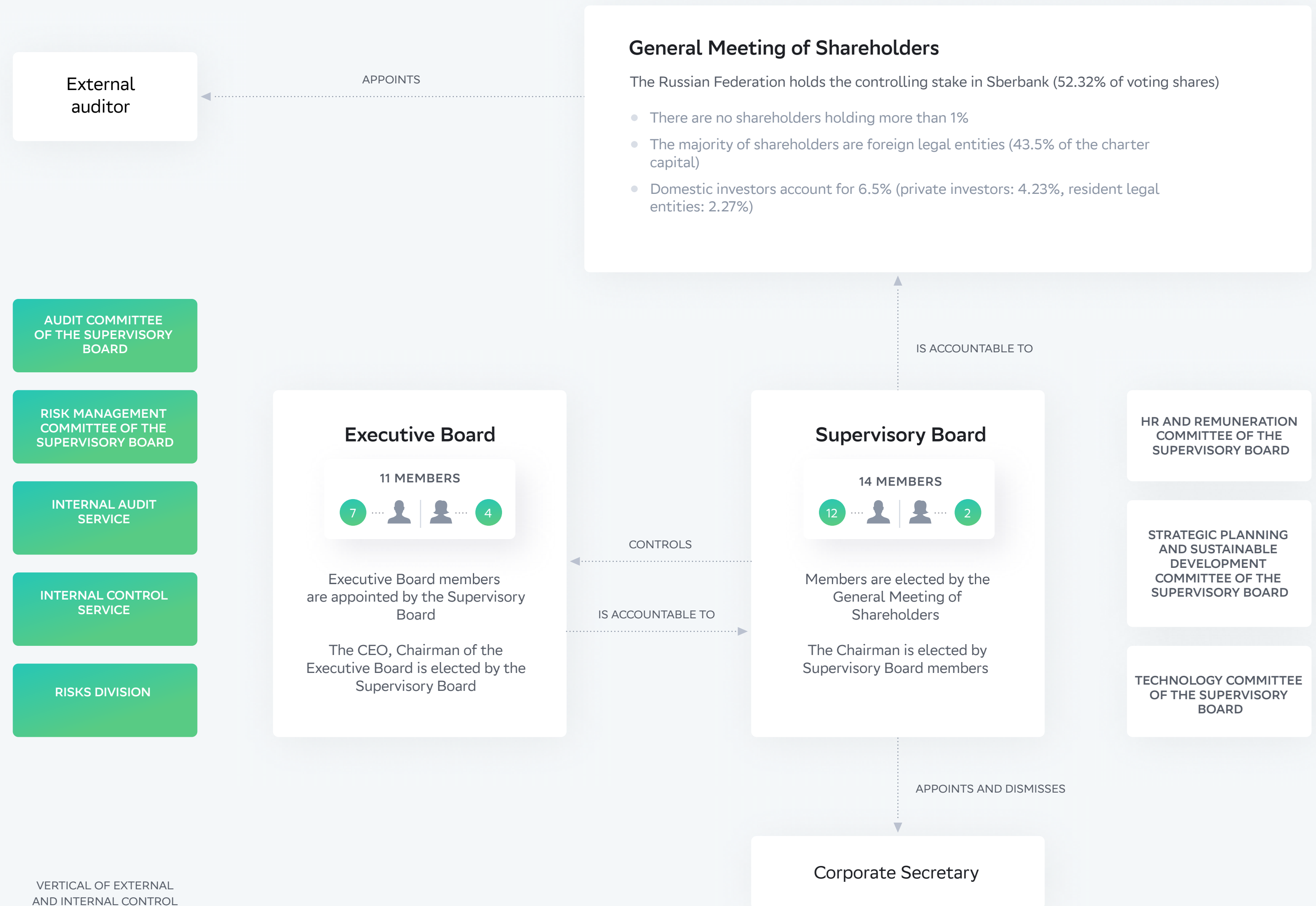
11

Adherence to international sustainable development standards and principles and ESG principles

The principle is implemented through maximizing the positive effects of the bank's activities, while minimizing the negative impact by applying ESG principles for better risk management and sustainable development

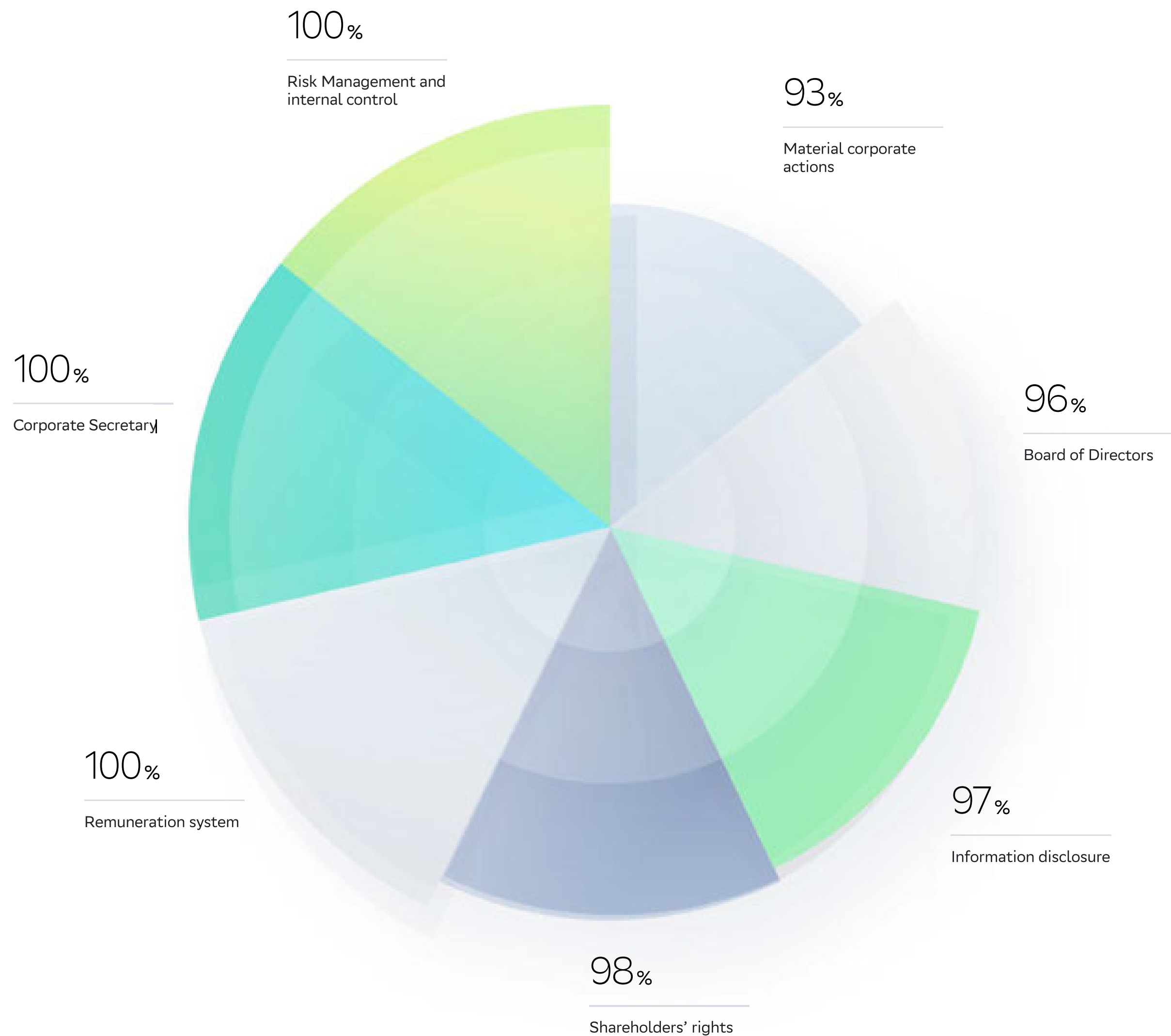
Elements of the Corporate Governance System

The corporate governance system at Sberbank is the system of interrelations among the shareholders (owners), the Supervisory Board, management and other stakeholders, which sets out the rules and procedures for making corporate decisions and ensures due management and control over Sberbank's activities.



Compliance with the Corporate Governance Code of the Bank of Russia

Sberbank complies with most of the principles and recommendations of the Corporate Governance Code of the Bank of Russia.



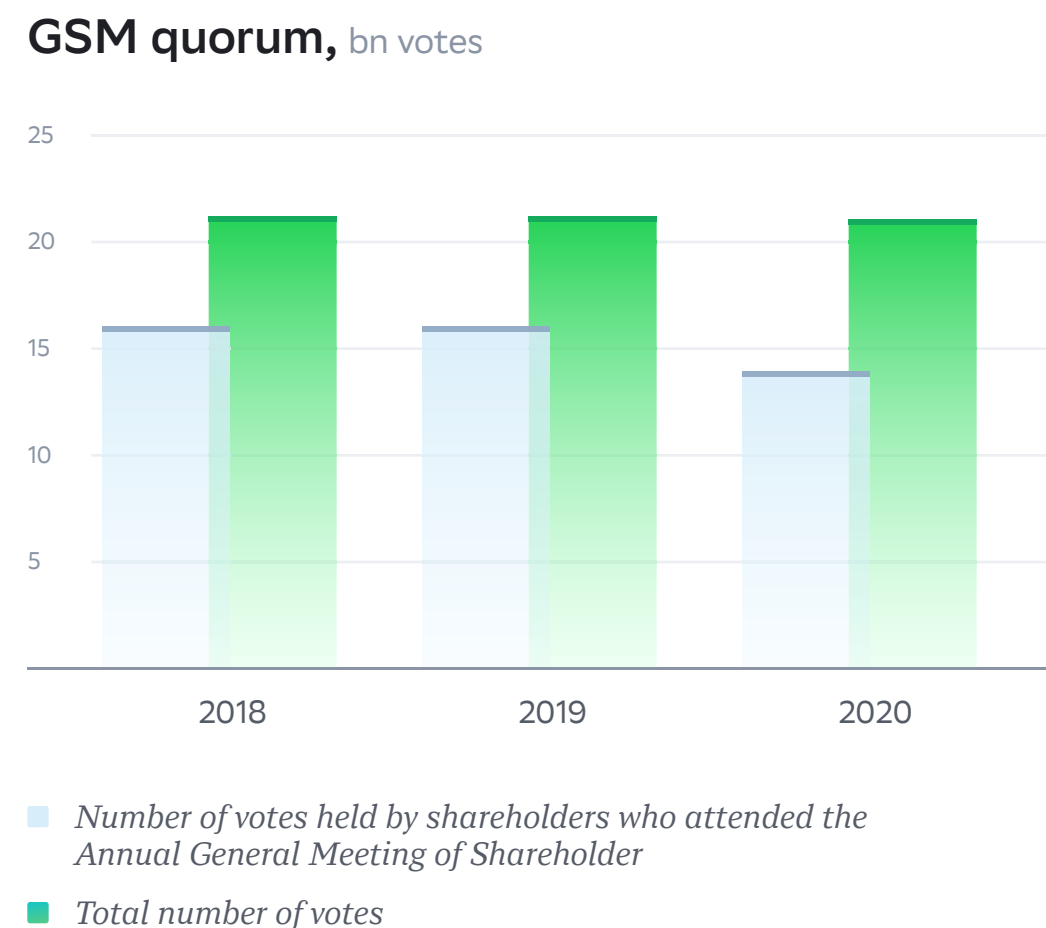
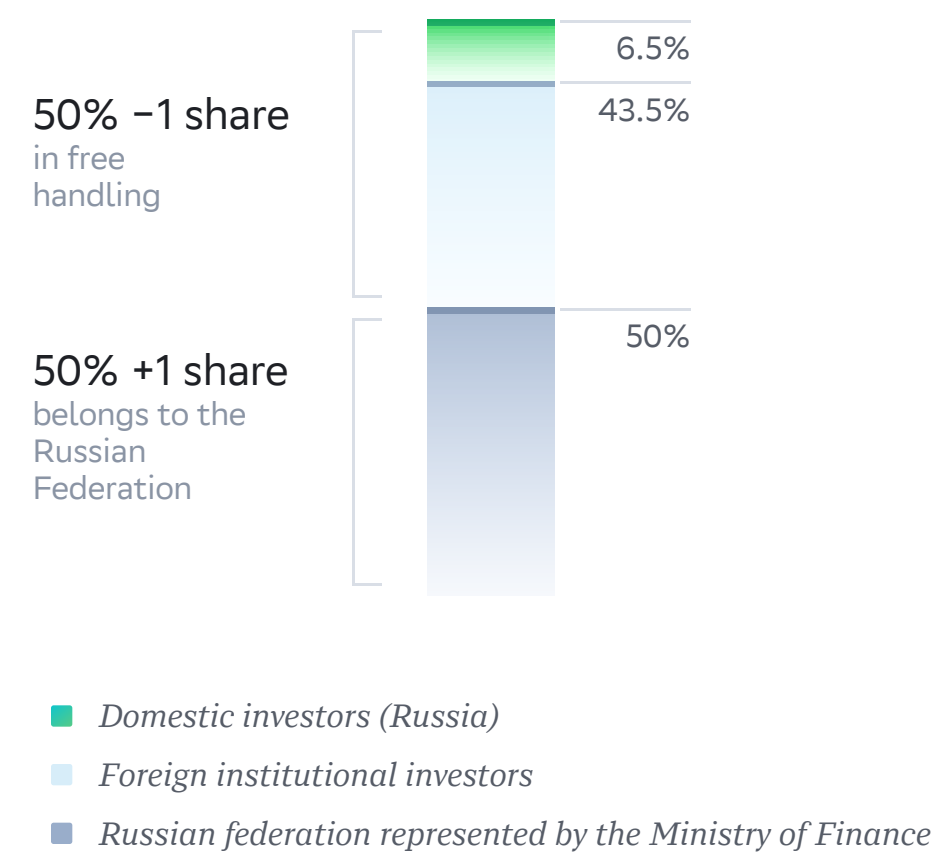
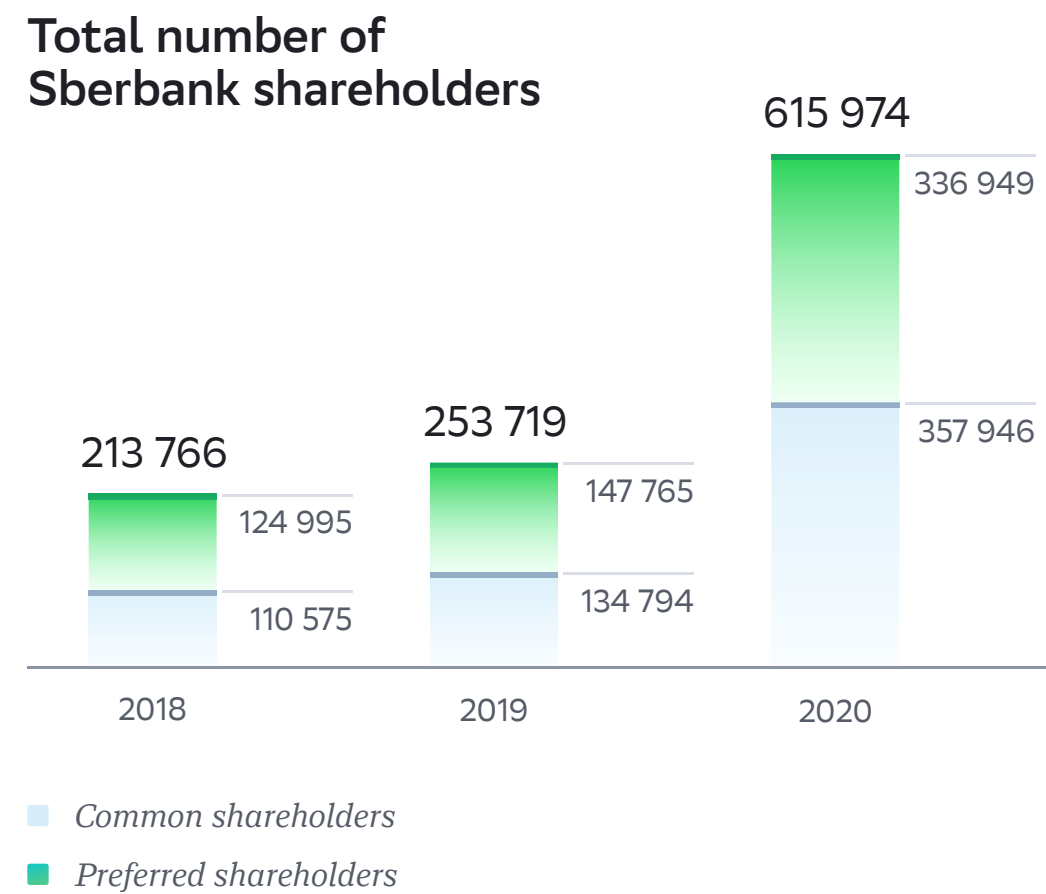
See Sberbank's report on compliance with the Corporate Governance Code of the Bank of Russia on page 179

General Meeting of Shareholders

The General Meeting of Shareholders is a superior management body of the bank, which takes decisions on the core issues of its activity.

×2,4

In 2020, the number of Sberbank shareholders increased more than 2.4x



In 2020, one General Meeting of Sberbank Shareholders was held.

TYPE OF THE MEETING	Annual General
DATE OF THE MEETING	25 September 2020
FORM OF THE MEETING	Absentee voting
MATTERS CONSIDERED	<ul style="list-style-type: none"> Approval of the 2019 Annual Report Distribution of profits and payment of dividends for 2019 Appointment of an audit organization Election to the Supervisory Board Approval of an interested-party transaction Amendments to the Charter
ELECTRONIC VERSION OF THE MINUTES OF THE MEETING IN ENGLISH	sberbank.com/ru/investor-relations/corporate-governance/general-shareholders-meeting/annual-meeting-2020

Amidst aggravated epidemiological situation in Russia and globally caused by coronavirus infection and pursuant to the order of the President of the Russian Federation to postpone annual general meetings of shareholders of credit organizations with equity participation of the Russian Federation to the 3rd quarter of 2020, the Annual General Meeting of Shareholders of Sberbank was held in the second half of 2020 in absentia.

On the day of the meeting (summing up the results of absentee voting), CEO and Chairman of the Executive Board G. O. Gref addressed the bank's shareholders live. His speech was broadcast by TV channel Russia 24, TASS, SberTV, Rambler/Finance.

The procedure for preparation and holding of the General Meeting of Shareholders is regulated by the Regulation on the General Meeting of Shareholders which can be found on Sberbank corporate website at sberbank.com/ru/investor-relations/disclosure/regulative-documents

2/2 General Meeting of Shareholders

Given the pandemic in 2020, Sberbank continued to place a focus on the development of electronic interaction channels with its shareholders introducing popular and user-friendly online services:

01

During the year, the Sber Shareholder mobile application developed based on a modern concept with significantly expanded functionality was modified, including taking into account feedback received from bank shareholders. In 2020, the online one-click access to the materials of the General Meeting of Shareholders and electronic voting services was implemented, which allowed the bank's shareholders to participate in the meeting from anywhere in the world.

02

The Shareholder Online Account mobile application developed by the registrar JSC Status upon the bank's request and providing full access for the bank's shareholders to the Shareholder Online Account was supplemented with an electronic voting service.

03

In preparation for the General Meeting of Shareholders in 2020, for the first time ever, the bank's shareholders were informed about the upcoming meeting and electronic voting opportunities automatically through voice chatbots.

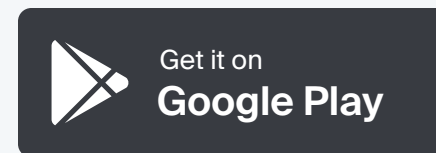
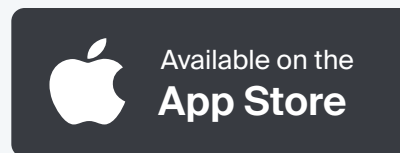
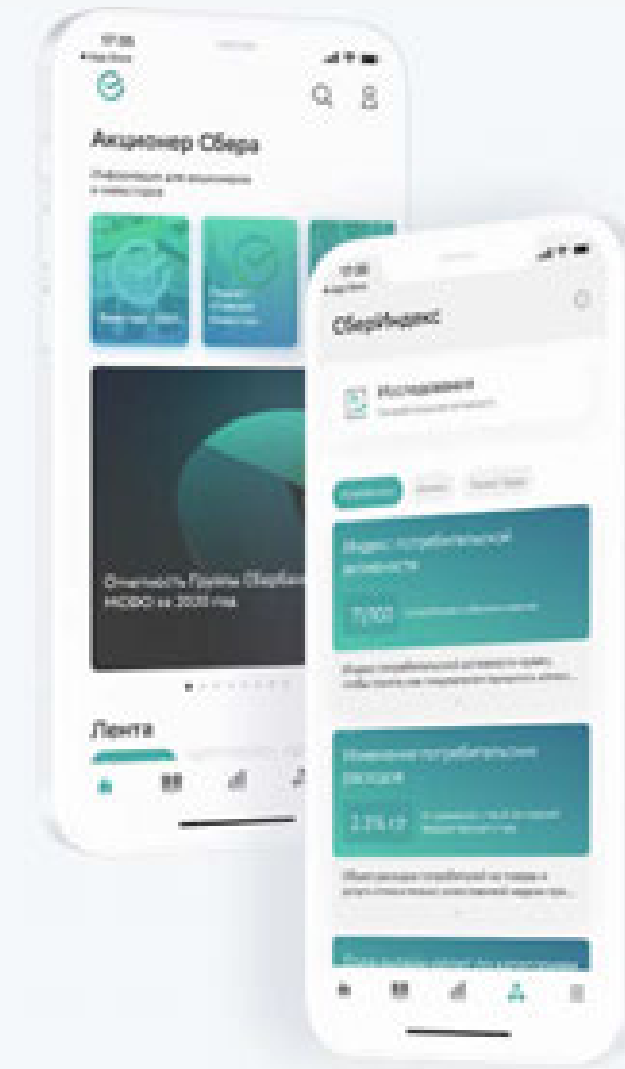
Sber Shareholder mobile application



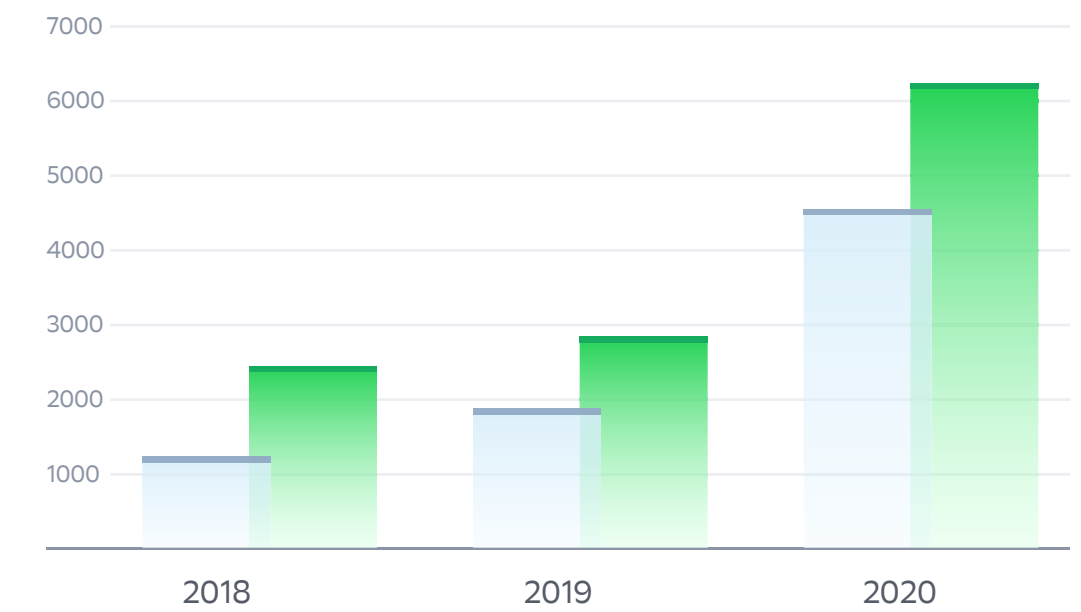
The Sber Shareholder mobile application provides users with complete and diverse information about Sberbank Group: press releases, reports, announcements of important events, access to meeting materials, electronic voting services (during the shareholder meeting), exclusive analytics from Sberbank CIB, Sberbank TV videos, useful articles from the Investment for Dummies service (<https://dokhodchivo.ru/>).

Moreover, you can track the performance of Sberbank shares and view thematic sections, for example, on sustainable development and ESG issues.

The application news feed can be customized, with the shareholder's calendar timely reminding shareholders of important events in the corporate life of Sberbank.



Electronic voting



■ Shareholders who voted online
■ Total shareholders who attended the GSM

The number of shareholders who took part in the meeting remotely, including through the use of SberID identification tools and electronic voting services, such as the Shareholder Online Account and E-voting developed by the National Settlement Depository, rose 2.4x y-o-y (or by 142.6%). The total number of Sberbank shareholders who took part in the meeting also more than doubled (or increased by 111.64%).

Supervisory Board

The Supervisory Board performs overall management of Sberbank and is accountable to the General Meeting of Shareholders.

In 2020, in a survey conducted to identify the potential of the Supervisory Board and opportunities to enhance its effectiveness, the interviewed directors and top managers of the bank supported the practice of independent directors having at least 50% of seats on the Board and also emphasized the need to increase the share of women directors.

The activities of the Supervisory Board are governed by the Regulation on the Supervisory Board of PJSC Sberbank approved by the General Meeting of Shareholders. The Regulation can be found on the bank's corporate website:

sberbank.com/common/img/uploaded/files/pdf/normative_docs/observant_advice_regulations240519.pdf

NOMINATION OF CANDIDATES AND ELECTION OF SUPERVISORY BOARD MEMBERS

GRI 102-24 Nominating and selecting the highest governance body

Candidates are selected, and the effective and professional team of the Supervisory Board is formed by the bank in accordance with the Supervisory Board Succession Policy enabling to plan the succession of Board members in the short (up to one year) and medium (up to three years) term.

sberbank.com/common/img/uploaded/files/pdf/normative_docs/succession_policy-2020.pdf

Common selection criteria for all candidates include impeccable business and personal reputation, knowledge, skills and expertise in areas relevant to the key activities of the bank, as well as availability for the full performance of their duties. A mandatory condition is that a Board member cannot serve on the Board of Directors of more than four other public companies.

Candidates applying for the status of an independent director are additionally required to be available for and interested in work on the Supervisory Board for a period of at least 3 years. They shall strive to avoid conflicts of interest, nor shall they have any affiliations with the bank, government, key shareholder or competitor of the bank. Also, they shall be able to form their own position, independent of the influence of the executive bodies, individual groups of shareholders or other stakeholders. The number of independent directors on the Board is determined in a way ensuring that an objective and good-faith position on issues under consideration is formed taking into account a wide range of opinions.

In order to maintain continuity and effectiveness of the Supervisory Board activities, the annual simultaneous rotation of Board members shall not affect more than a third of the members.

The HR and Remuneration Committee prepares a list of potential candidates for the Supervisory Board, and evaluates candidates nominated by shareholders as members of the Board.

Shareholders holding at least two percent of the voting shares in aggregate shall be entitled to nominate candidates for the Supervisory Board within 75 days after the end of the reporting year, the number of which may not exceed the total number of members of the Board. Pursuant to the bank's Charter, the Supervisory Board has 14 members.

Supervisory Board members are elected once a year at the Annual General Meeting of Shareholders by cumulative voting. In cumulative voting, the number of votes held by each shareholder shall be multiplied by the number of persons to be elected to the Supervisory Board. A shareholder may give all of their resulting votes to one candidate or distribute them among two or more candidates. The candidates who receive the largest number of votes are elected to the Board.

Supervisory Board members may be removed from office before their term ends. Early termination of powers shall cover all members of the Supervisory Board at the same time. The General Meeting of Shareholders decides on the early termination of powers of the Supervisory Board members.

SUPERVISORY BOARD CHECK LIST

Number of members	14
Number of independent directors	7
Number of women	2
Number of committees	5
Annual election	Yes
Continuity policy for Board members	Yes
Independent Chairman	No
Senior Independent Director	Yes
Curator for ESG	Yes
Annual evaluation of the independence of directors	Yes
Annual performance assessment of the Supervisory Board and its committees	Yes
Annual individual performance assessment of directors	No
Independent directors may hold meetings without participation of other members of the Supervisory Boards	Yes
Members of the Collective Executive Body (the Executive Board) may not simultaneously hold the post of the Supervisory Board Chairman	Yes
Director liability insurance	Yes
The Audit Committee is composed entirely of independent directors	No
% of independent directors on the Committee	80%
The HR and Remuneration Committee is composed entirely of independent directors	No
% of independent directors on the Committee	60%
Remuneration and compensation policy for members of the Supervisory Board	Yes
Non-monetary remuneration of members of the Supervisory Board, including in the form of shares (or share-based)	No
Number of Supervisory Board meetings in 2020	47

GOVERNANCE STRUCTURE. SUPERVISORY BOARD COMMITTEES

GRI 102-18 Governance structure

The Supervisory Board is a collective governing body of the bank, whose competence is determined by the legislation of the Russian Federation and the bank's Charter. Matters assigned to the authority of the Supervisory Board may not be delegated to an executive body of the bank.

The Supervisory Board forms committees from among its members for preliminary consideration of matters within the competence of the Supervisory Board. It has five such committees. They operate on the basis of the Regulations on the Committees of the Supervisory Board approved by the Supervisory Board.

sberbank.com/common/img/uploaded/files/pdf/normative_docs/regulations_on_the_committees_of_the_supervisory_board_30122020_ru.pdf



Supervisory Board. Competency Matrix



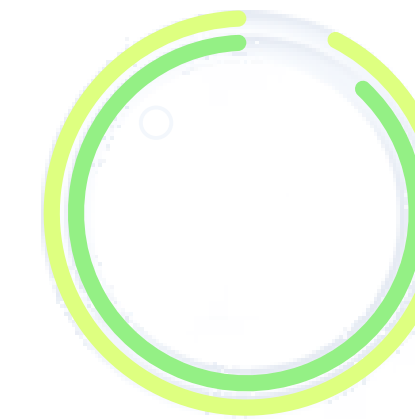
- Definition of strategic goals and development directions, ESG matters
- Determination of the principles and approaches to organizing the risk management and internal control systems
- Control over activities of the executive bodies
- Establishment, development and performance monitoring of the corporate governance system
- Ensuring information transparency
- Development of talent management and creation of the talent pool for the governing bodies

Committee. Competency Matrix



- Reporting
- Risks, internal control, corporate governance
- Internal and external audit
- Combatting unethical practices among Sberbank employees and third parties

HR and Remuneration Committee. Competency Matrix



- Succession planning, creation of a professional team of the bank's governing bodies and other key executives
- Effective remuneration system for members of the Supervisory Board, executive bodies and other bank employees

Strategic Planning and Sustainable Development Committee. Competency Matrix



- Establishment of strategic goals and directions in sustainable development, including ESG goals
- Control over the Development Strategy implementation and development of measures to adjust it, if necessary, together with the bank's executive bodies
- Definition of the priority areas of activities for the bank
- Definition of priority industries for the development of new business models (including through acquisition of promising businesses)
- Consideration of the financial model and business valuation model for the bank and its business segments

Risk Management Committee. Competency Matrix



- Monitoring and preliminary review of risk and capital management issues of the Group
- Review of reporting, including as part of the internal capital adequacy assessment procedures
- Monitoring compliance with Russian laws governing risk management
- Control over the management of compliance risks and activities of the bank's Internal Control Service

Technology Committee. Competency Matrix



- Addressing topical issues in technology development
- Control over the organization of technology management
- Use of information to retain and enhance the bank's intellectual capital

COMPOSITION OF THE SUPERVISORY BOARD

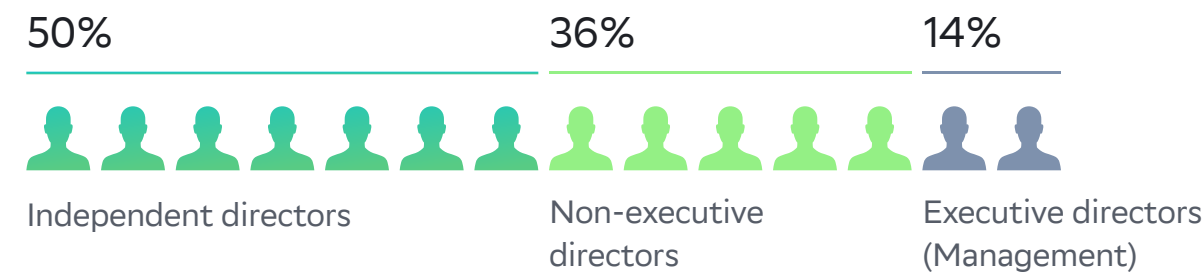
GRI 102-22 Composition of the highest governance body and its committees

Independent, non-executive (external, non-employees of the bank) and executive directors (management) are elected to the Supervisory Board.

A Senior Independent Director shall be elected from among the independent directors.

From among the members of the Supervisory Board, a Curator for ESG and Sustainable Development shall be appointed.

Membership of the Supervisory Board by types of directors



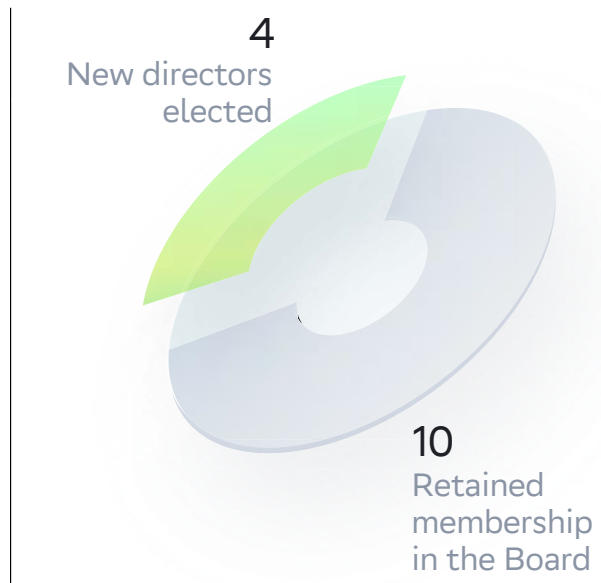
Gender composition



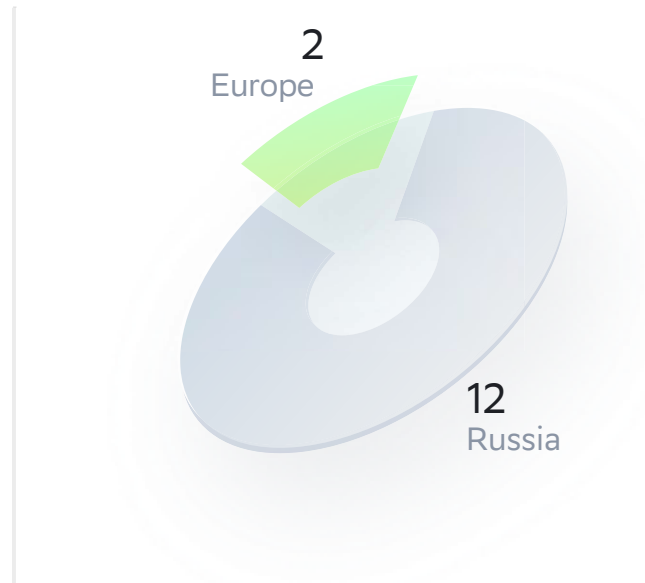
Composition of independent directors



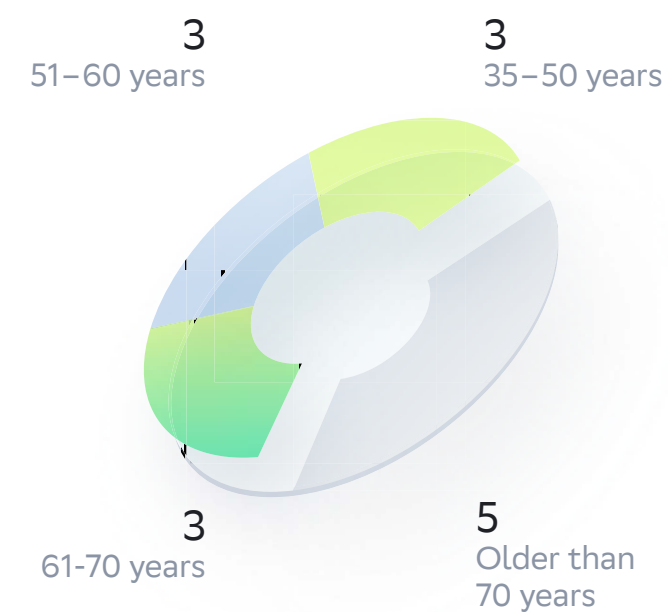
Rotation of directors



Geography



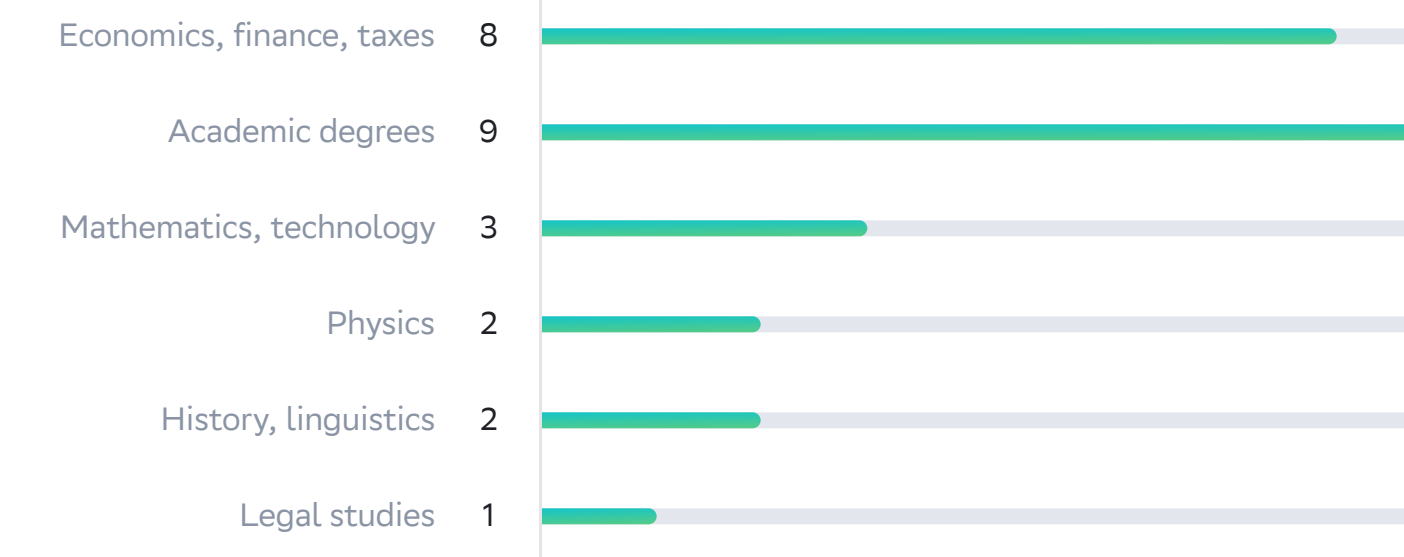
Composition of the Supervisory Board by age



Durability in office



Education



Industry-specific experience and other skills of Supervisory Board members¹

Member	Length of work in SB	Banking Activities	Economics, Finance, Investments	IT	Corporate Governance	ESG	Audit, Consulting, Law	Securities Market, Exchange Activities	International Financial Institutions	Experience in Civil Service	Teaching Activities
Anton Siluanov	1	✓	✓		✓	✓	✓	✓	✓	✓	✓
Sergey Ignatiev	21	✓	✓		✓		✓			✓	✓
Gennady Melikyan	7	✓	✓		✓		✓			✓	
Esko Tapani Aho	5		✓		✓		✓		✓	✓	✓
Leonid Boguslavsky	4		✓	✓	✓		✓				
Herman Gref	16	✓	✓	✓	✓	✓	✓		✓	✓	✓
Bella Zlatkis	3	✓	✓		✓	✓	✓	✓		✓	
Mikhail Kovalchuk	1		✓	✓	✓	✓	✓			✓	✓
Vladimir Kolychev	1	✓	✓		✓	✓	✓	✓	✓	✓	
Nikolay Kudryavtsev	2		✓	✓	✓		✓			✓	✓
Aleksander Kuleshov	3		✓	✓	✓		✓				✓
Maksim Oreshkin	4		✓		✓	✓	✓	✓	✓	✓	
Nadya Christina Wells	7	✓	✓		✓	✓	✓	✓			
Dmitry Chernyshenko	1		✓	✓	✓	✓	✓			✓	

MEMBERS OF THE SUPERVISORY BOARD WHOSE POWERS TERMINATED FROM 25 SEPTEMBER 2020:

Valery Goreglyad	2	✓	✓		✓		✓			✓	✓
Sergey Shvetsov	10	✓	✓		✓	✓	✓	✓			
Nadezhda Ivanova	15	✓	✓		✓		✓				
Olga Skorobogatova	3	✓	✓	✓	✓		✓				

¹ Length of uninterrupted work period

CHAIRMAN OF THE SUPERVISORY BOARD

GRI 102-23 Chair of the highest governance body

The Supervisory Board shall be headed by a Chairman elected from among the members of the Supervisory Board by a majority vote of the Board.

The Chairman of the Supervisory Board shall not have an executive role (they cannot be simultaneously the CEO, Chairman of the Executive Board or a member of the Executive Board of the bank).

The Chairman directs the work of the Supervisory Board and organizes the development of a plan of this work, approves the agenda of Board meetings and has the right to convene a meeting of the Supervisory Board at their discretion, presides over the General Meeting of Shareholders.

During the meetings, the Chairman ensures free discussion of agenda items, contributes to informed decision-making, while supporting a constructive and friendly atmosphere of the meetings.

INDEPENDENT DIRECTORS

The representation of independent directors in the overall membership of Sberbank’s Supervisory Board is in full compliance with the Listing Rules of Moscow Exchange and recommendations of the Corporate Governance Code of the Bank of Russia.

According to the results of the independence assessment carried out in September 2020, five directors—Esko Tapani Aho, Gennady Melikyan, Alexander Kuleshov, Leonid Boguslavsky, Nadya Christina Wells—were recognized as fully complying with the independence criteria set forth by the Corporate Governance Code of the Bank of Russia and Listing Rules of Moscow Exchange. With regard to two directors Nikolay Kudryavtsev and Mikhail Kovalchuk, a decision was made to recognize them as independent directors, notwithstanding the fact that they meet the formal criteria of association with the state and a significant shareholder of the bank (the Russian Federation).

Such decision was made by the Supervisory Board since the association according to the above criteria is not substantial and does not affect their ability to act in good faith and reasonably in the interests of Sberbank and its shareholders, to form objective and independent opinions and judgments.

In December 2020, the Supervisory Board assessed the independence of Gennady Melikyan in connection with the formal criterion of his association with a material counterparty of the bank. The Supervisory Board decided to recognize Melikyan G.G. as an independent director, taking into account that the association according to the above criterion is not substantial and does not affect his ability to act in good faith and reasonably in the interests of Sberbank and its shareholders, to form objective and independent opinions and judgments.

The decisions of the Supervisory Board on the recognition of the directors as independent can be found on the bank's corporate website.

Decision of the Supervisory Board dated 25 September 2020
sberbank.com/common/img/uploaded/files/pdf/normative_docs/zasedanie_250519.pdf

Decision of the Supervisory Board dated 22 December 2020
sberbank.com/common/img/uploaded/files/pdf/normative_docs/zasedanie_221220.pdf

ON ACTIVITIES OF THE SUPERVISORY BOARD IN 2020

GRI 102-31 Review of economic, environmental, and social topics

All necessary conditions have been created for the effective work of the Supervisory Board in the bank, including the use of state-of-the-art technological solutions. Members of the Supervisory Board may participate in Board meetings remotely voting via the Senate automated system, a decision-making platform. It is also possible to vote via the SberBoard mobile application, which, apart from this option, has a wide range of other features (stories, Sberbank and media news, a library of useful links and documents, surveys and questionnaires, feedback service, push notifications, compliance rules, work contacts).

In 2020, the Supervisory Board held 47 meetings, 11 of which took place in person, and 36 in the form of absentee voting. In total, 114 issues were considered at the meetings.

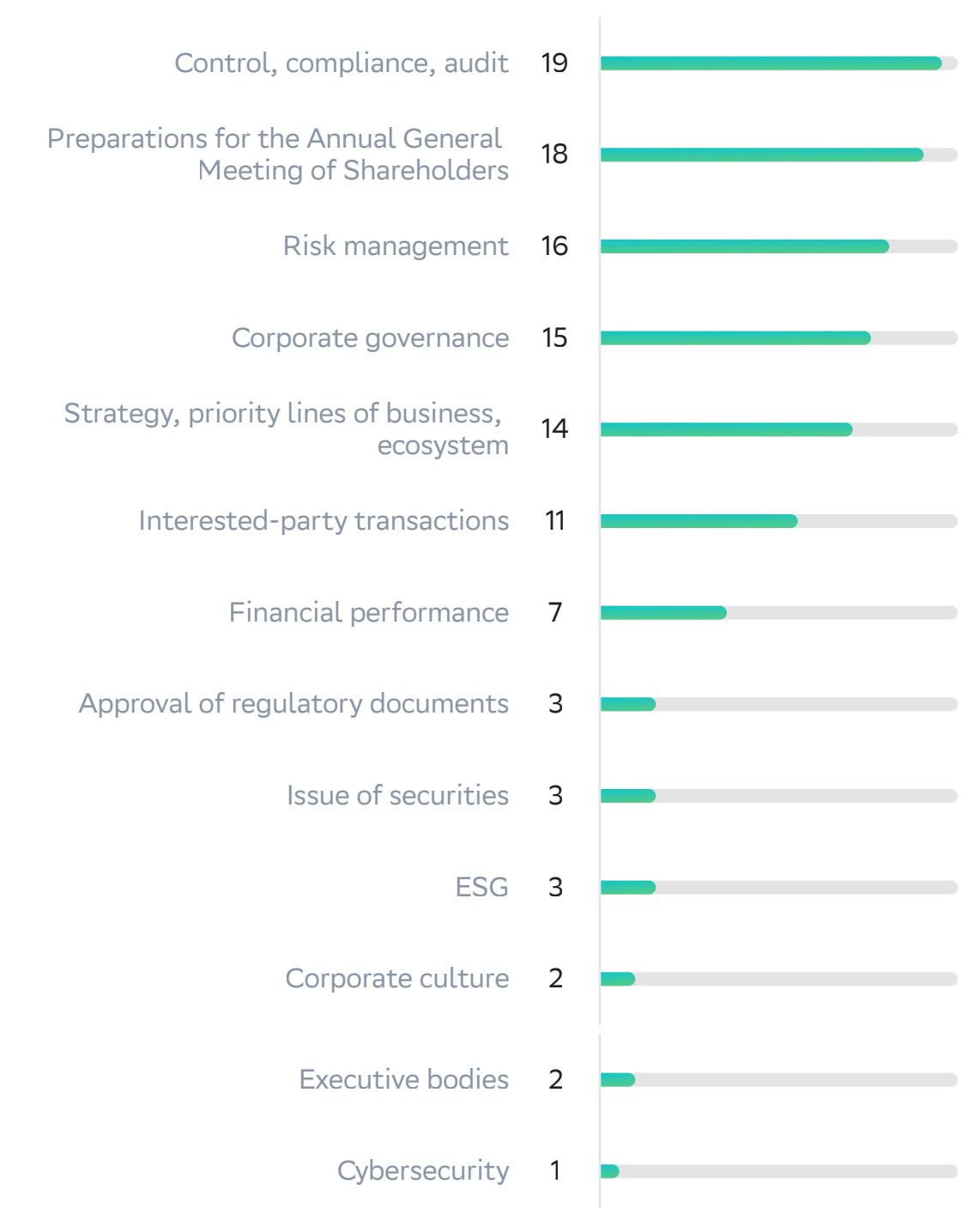
One of the main issues considered by the Supervisory Board in 2020 was the approval of the new Sber Strategy 2023 taking into account ESG goals. Overall, during the year, ESG matters became an integral part of the agenda of the Supervisory Board meetings. One of the most important decisions taken by the Board in this regard was the appointment of the Curator for ESG and Sustainable Development from among the Board members.

In 2020, the Supervisory Board also considered matters related to the priority areas of the bank's activities: business (SME lending, retail business and wealth management projects, development of corporate and investment business, international business, etc.), risk and capital management, internal control, compliance and audit, termination of powers and appointment of new members of the bank's Executive Board. Management reports on the bank's financial performance and on the approval of related-party transactions were heard.

The Supervisory Board placed a significant focus on corporate governance issues, including the preparations for the Annual General Meeting of Shareholders amid pandemic and the need to promptly respond to the decisions taken by the Bank of Russia, the Government and the President of the Russian Federation.

A landmark event of 2020 was the approval by the Supervisory Board of a new version of Sberbank’s Corporate Governance Code reflecting the large-scale changes taking place at Sberbank, the variety of corporate governance procedures and practices used in managing the bank and ecosystem companies, digitalization of many areas of corporate life and the beginning of ESG transformation of the bank.

Issues considered by the Supervisory Board in 2020



LIABILITY INSURANCE

The liability of all members of the Supervisory Board in connection with the performance of their duties is insured under the Directors, Officers and Companies Liability Insurance. The D&O Liability Insurance is a damage insurance against wrong actions of the responsible persons in order to cover losses that may be caused to the organization by their erroneous actions.

The main terms and conditions of the D&O Liability Insurance Contract for the previous period:

Insurer	JSC SOGAZ
Coverage period	July 2018—June 2020
Insurance premium	RUB 74 mn
Amount of coverage	RUB 6 bn
Additional amount of coverage for an independent director	RUB 30 mn RUB 150 mn in aggregate

Insurer	JSC SOGAZ
Coverage period	1 July 2020—30 June 2021 (with the renewal option)
Insurance premium	RUB 66 mn
Amount of coverage	RUB 6 bn
Additional amount of coverage for an independent director	RUB 30 mn RUB 150 mn in aggregate

Participation of Supervisory Board members in in-person Board meetings and committee meetings in 2020

	NUMBER OF SUPERVISORY BOARD IN-PERSON MEETINGS ATTENDED <i>(out of the 11 meetings held)</i>	NUMBER OF AUDIT COMMITTEE MEETINGS ATTENDED <i>(out of 7 held)</i>	NUMBER OF HR AND REMUNERATION COMMITTEE MEETINGS ATTENDED <i>(out of 7 held)</i>	NUMBER OF STRATEGIC PLANNING AND SUSTAINABLE DEVELOPMENT COMMITTEE MEETINGS ATTENDED <i>(out of 7 held)</i>	NUMBER OF RISK MANAGEMENT COMMITTEE MEETINGS ATTENDED <i>(out of 14 held)</i>	NUMBER OF TECHNOLOGY COMMITTEE MEETINGS ATTENDED <i>(out of 4 held)</i>
Anton Siluanov ¹	4					
Sergey Ignatiev	11		4	4		
Gennady Melikyan	11		7	7	14	
Esko Tapani Aho	11			6	10	
Leonid Boguslavsky	11		6	7		4
Herman Gref	10			6		
Bella Zlatkis	11					
Mikhail Kovalchuk ¹	3	2				2
Vladimir Kolychev ¹	4	2		4	4	
Nikolay Kudryavtsev	11	7	4			4
Aleksander Kuleshov	11	7			12	4
Maksim Oreshkin	9			2		
Nadya Christina Wells	11	7		7	11	
Dmitry Chernyshenko ¹	3		3	4		2

MEMBERS OF THE SUPERVISORY BOARD WHOSE POWERS TERMINATED FROM 25 SEPTEMBER 2020:

Valery Goreglyad	6	5	3			
Sergey Shvetsov	7	4			6	
Nadezhda Ivanova	5			2		1
Olga Skorobogatova	5			3		

¹ Members the Supervisory Board since 25 September 2020

DIRECTOR ONBOARDING. DEVELOPMENT OF COLLECTIVE KNOWLEDGE OF THE SUPERVISORY BOARD MEMBERS

GRI 102-27 Collective knowledge of highest governance body

Onboarding of newly elected members of the Supervisory Board is a key focus for Sberbank. To this end, a special event is held for them annually titled the Introductory Course.

As part of the Introductory Course, key executives of the bank, functional block curators and other key employees of the bank familiarize newly elected members of the Supervisory Board with the Development Strategy, the structure of the corporate governance system, the distribution of responsibilities among executive bodies, the fundamentals of the risk management and internal control system and provide a lot of other significant information about the bank and ecosystem companies.

After the election, taking into account the wishes of the Supervisory Board members and management proposals, an annual professional development program of the Supervisory Board members is prepared, including visits to the bank's divisions, subject-matter conferences, strategic sessions, including with the engagement of external experts.

In 2020, in order to promote the development of the members' competencies, two educational sessions were held:

14
JUL

Summer training session

Corporate governance and ESG

25
NOV

Autumn training session

Process Mining and Practical Audit Committee Matters, training Supervisory Board members on the Process Mining technology and the specifics of its application at Sberbank

Also during the year, a training session "Board of Directors as a Tool for the Development of SBER Ecosystem Companies" was held for Board members of the companies belonging to the bank's ecosystem. The main goal of the event was to boost the directors' personal competencies and provide them with additional practical knowledge necessary for further successful development of the ecosystem companies. The session was also attended by members of the Supervisory Board of Sberbank.

In 2020, the Supervisory Board members actively participated in various external events, such as the 14th Forum of the National Association of Corporate Secretaries, the 10th Russian Corporate Governance Forum organized by the Association of Independent Directors, the Russian Union of Industrialists and Entrepreneurs (RSPP) and an audit firm PwC.

In September 2020, Sberbank, as a general partner, joined the Russian Chapter platform, the Russian branch of the Climate Governance project created under the auspices of the World Economic Forum.

Russian Chapter provides a platform for Board of Directors members to discuss climate change issues and the impact of these changes on the activities of companies, organize public events with the involvement of the best climate experts and discuss climate business strategies. In 2020, members of the Supervisory Board of Sberbank took part in four Russian Chapter events.

3
SEP

Participation in the launch of Russian Chapter

15
OCT

Roundtable on the management of physical and climate risks for independent directors

12
NOV

Roundtable on the impact of climate change on the agenda of audit and risk committees of the board of directors

17
DEC

Roundtable on the leading role of central banks in climate management in the CIS

Until 1 February 2021, the Global Climate Initiative, Russia was called Russian Chapter

ASSESSMENT OF SUPERVISORY BOARD PERFORMANCE

GRI 102-28 Evaluating the highest governance body's performance

The assessment of the Supervisory Board performance has been carried out at Sberbank since 2013.

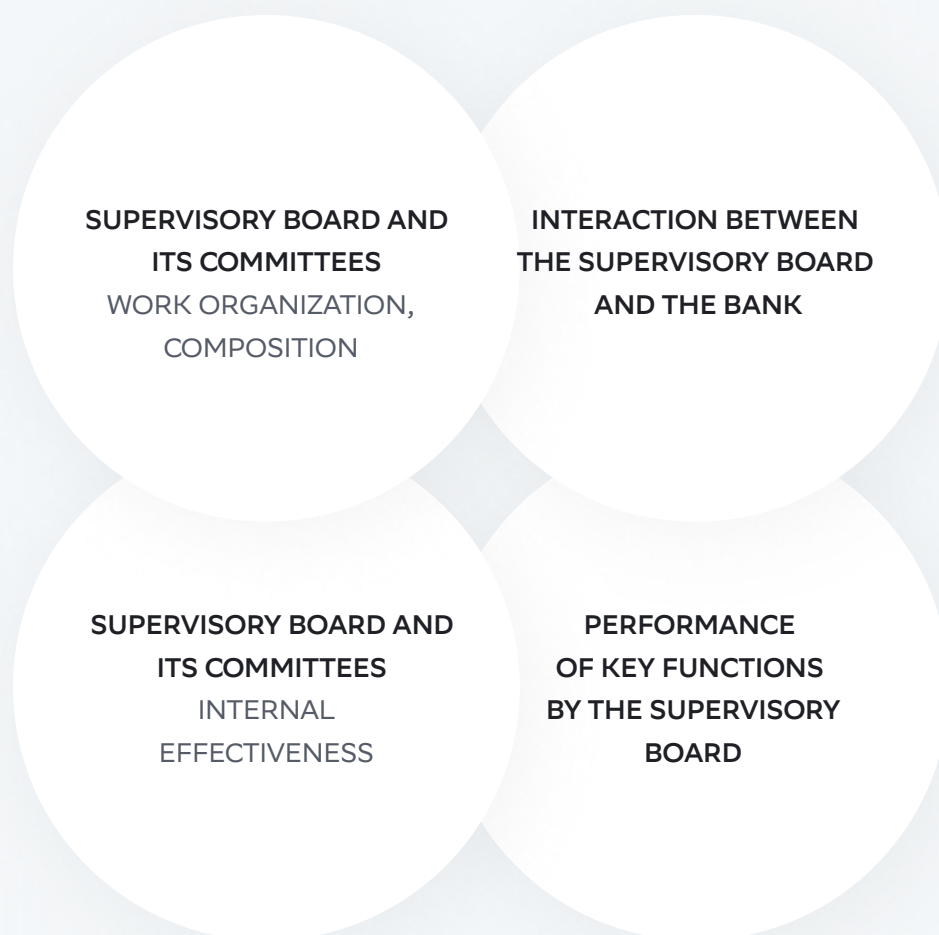
External evaluation of activities with the involvement of an independent consultant is conducted every three years (2013, 2016, 2019), while at all other times, the Supervisory Board performs annual performance self-assessment (by way of questionnaire survey).

The purpose of the self-assessment is to monitor the performance of the Board and its committees and develop approaches to improving their practices, as well as identify areas for improvement and development.

Timeline of Supervisory Board assessment



The self-assessment is carried out in the following areas



Status

Progress of implementation of the recommendations for improvement of corporate governance practices based on the previous assessments:

- The Information Technology Committee has been established.
- The internal regulatory documents of the bank have been revised to include clarifications regarding the prevention and settlement of conflicts of interest of the Supervisory Board members.
- Issues related to the development of the bank's ecosystem have been included in the quarterly work plan of the Supervisory Board and relevant committees for 2020–2021.
- In developing the new Sber Strategy 2023, regular discussions at Strategic Planning Committee meetings and individual meetings of Board members with bank leaders took place, which made it possible to fully benefit from the Board members' expertise.
- ESG matters are now regularly discussed by the Supervisory Board and its committees and were also considered during the summer educational session for Board members (14 July 2020) and other events with participation of Board members (round tables organized by RussianChapter since September 2020).
- The Curator for ESG and Sustainable Development from the Supervisory Board has been selected.
- The competence of Supervisory Board committees has been expanded to include ESG and sustainable development matters (new version of the Regulations on the Committees dated 30 December 2020).
- Additional training has been held for Supervisory Board members in the field of identifying and preventing conflicts of interest.
- A mobile application SberBoard has been developed for members of the Supervisory Board.

Results of the latest self-assessment for 2020

The Supervisory Board of PJSC Sberbank conducted a self-assessment of its 2020 performance to track changes in the practices of the Supervisory Board and its committees and develop approaches to further consistent improvement of their activities.

The average score for 2020 remained almost the same yoy, at 4.5 out of 5 (2019: 4.4).

The results of the self-assessment were first considered at a meeting of the HR and Remuneration Committee and then at an in-person meeting of the Supervisory Board.

Key findings of the self-assessment

Based on results of self-assessment:

- High-level performance of the Board and its committees both in general and in specific aspects of their activities
- Board members are fully aware of their role, powers and areas of responsibility
- The composition of the Supervisory Board and its committees in terms of skills, experience and collective competencies meets the current needs of the bank
- Information technologies used to support the activities of the Supervisory Board contribute to improving the efficiency of its work, as well as internal Board interactions and interactions with the bank

CONFLICTS OF INTEREST

GRI 102-25 Conflicts of interest

The Bank has introduced and operates a conflict of interest management system, which is an integral part of fighting corruption.

As stipulated by law and the bank's Charter, the Supervisory Board is responsible for approving a policy to prevent conflicts of interest and exercising general control over the process and measures taken in the field of conflict of interest management.

As provided for by the bank's existing conflict of interest management policies and procedures, Supervisory Board members should refrain from actions that would or could potentially lead to a conflict between their personal interests and those of the bank. A member of the Supervisory Board shall refrain from discussing and voting on the agenda items of a Supervisory Board meeting in respect of which they have a conflict of interest.

In the event of a conflict of interest, a Board member shall immediately notify the Chairman of the Supervisory Board through the Corporate Secretary of the bank or report the conflict of interest orally at a Supervisory Board meeting before discussing the relevant issue.

The Chairman of the Supervisory Board shall at the beginning of an in-person meeting announce the stated conflicts of interest or their absence. Information on conflicts of interest, including interest in a particular transaction, shall be included in the materials of a Supervisory Board meeting and recorded in the minutes of the meeting.

The Chairman of the Supervisory Board, in the event that the nature of the issue under discussion or the specifics of the conflict of interest so require, shall have the right to ask a Board member having a conflict of interest not to attend the discussion of such issue at a meeting.

Information on each Board member's membership in the boards of directors of other companies and ownership of shares shall be disclosed by the bank on a quarterly basis as part of the Securities Issuer's Report.

On a quarterly basis, the bank also discloses the List of Affiliates of the bank.

The Conflict of Interest Management Policy of Sberbank Group approved by the Supervisory Board is available on the bank's website: sberbank.com/common/img/uploaded/files/pdf/normative_docs/conflict_of_interest_management_policy_ru.pdf
The issuer's reports are available on the bank's website: sberbank.com/ru/investor-relations/disclosure/quarterly-reports
The lists of affiliates are available on the bank's website: sberbank.com/ru/investor-relations/disclosure/affiliates

Information on Supervisory Board members' shareholdings in Sberbank and their share transactions in 2020

MEMBER NAME	EQUITY INTEREST IN THE CHARTER CAPITAL OF SBERBANK, %	SHARE OF OWNED COMMON SHARES, %	TRANSACTIONS IN SBERBANK SHARES IN 2020
Anton Siluanov ¹	–	–	No transactions
Sergey Ignatiev	–	–	No transactions
Gennady Melikyan	0.00017	0.00018	On 19 March 2020, Gennady Melikyan acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.0001%, the percentage of common shares was 0.0001%. On 20 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.0001%, the percentage of common shares was 0.0001%.
Esko Tapani Aho	–	–	No transactions
Leonid Boguslavsky	–	–	No transactions
Herman Gref	0.0045	0.0044	On 10 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.0031%, the percentage of common shares was 0.003%. On 18 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.00399%, the percentage of common shares was 0.0039%.
Bella Zlatkis	0.0004	0.0005	No transactions
Mikhail Kovalchuk ¹	–	–	No transactions
Vladimir Kolychev ¹	–	–	No transactions
Nikolay Kudryavtsev	–	–	No transactions
Aleksander Kuleshov	–	–	No transactions
Maksim Oreshkin	–	–	No transactions
Nadya Christina Wells	–	–	No transactions
Dmitry Chernyshenko ¹	–	–	No transactions

MEMBERS OF THE SUPERVISORY BOARD WHOSE POWERS TERMINATED FROM 25 SEPTEMBER 2020:

Valery Goreglyad	–	–	No transactions
Sergey Shvetsov	–	–	No transactions
Nadezhda Ivanova	–	–	No transactions
Olga Skorobogatova	–	–	No transactions

¹ Members of the Supervisory Board since 25 September 2020

BRIEF BIOGRAPHICAL DATA ON SUPERVISORY BOARD MEMBERS



Anton Siluanov

Chairman of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

12.04.1963

CURRENT PLACE OF WORK
(POSITION):

Minister of Finance of the Russian Federation

EDUCATION:

1985 – Moscow Financial Institute, major in Finance and Credit

2012 – Doctoral degree in Economic Science

MEMBERSHIP IN COMMITTEES:

No membership in Committees



Sergey Ignatiev

Chairman of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

10.01.1948

CURRENT PLACE OF WORK
(POSITION):

Advisor to the Governor of the Bank of Russia

EDUCATION:

1975 – Lomonosov Moscow State University majoring in Political Economy

1981 – Lomonosov Moscow State University, postgraduate program, PhD in Economics, associate professor

MEMBERSHIP IN COMMITTEES:

Member of the HR and Remuneration Committee, member of the Strategic Planning and Sustainable Development Committee



Gennady Melikyan

Deputy Chairman of the Supervisory Board
Senior Independent Director

DATE OF BIRTH:

27.11.1947

CURRENT PLACE OF WORK
(POSITION):

Currently holds no positions.

EDUCATION:

1974 – Lomonosov Moscow State University, major in Political Economy

1978 – Lomonosov Moscow State University, postgraduate program, PhD in Economics

MEMBERSHIP IN COMMITTEES:

Chairman of the Risk Management Committee, Chairman of the HR and Remuneration Committee, member of the Strategic Planning and Sustainable Development Committee



Esko Tapani Aho

Member of the Supervisory Board
Independent Director

DATE OF BIRTH:

20.05.1954

CURRENT PLACE OF WORK
(POSITION):

Senior Advisor, East Office of Finnish Industries

EDUCATION:

1980 – University of Helsinki (Finland), major in Political History

MEMBERSHIP IN COMMITTEES:

Member of the Strategic Planning and Sustainable Development Committee, member of the Risk Management Committee



Leonid Boguslavsky

Member of the Supervisory Board
Independent Director

DATE OF BIRTH:

17.06.1951

CURRENT PLACE OF WORK
(POSITION):

Currently holds no positions.

ОБРАЗОВАНИЕ:

1973 – Moscow State University of Railway Engineering, major in Applied Mathematics

1996 – Doctoral degree in Technical Sciences

MEMBERSHIP IN COMMITTEES:

Member of the HR and Remuneration Committee, member of the Strategic Planning and Sustainable Development Committee, member of the Technology Committee

BRIEF BIOGRAPHICAL DATA ON SUPERVISORY BOARD MEMBERS



Herman Gref

Member of the Supervisory Board,
Executive Director

DATE OF BIRTH:

08.02.1964

CURRENT PLACE OF WORK
(POSITION):

President, Chairman of the Executive Board
of SberBank

EDUCATION:

1990 – F. M. Dostoevsky Omsk State
University, major in Law

1993 – St. Petersburg State University,
postgraduate program, Law department

2011 – PhD in Economics

MEMBERSHIP IN COMMITTEES:

Member of the Strategic Planning
and Sustainable Development Committee



Bella Zlatkis

Member of the Supervisory Board
Executive Director

DATE OF BIRTH:

05.07.1948

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board
of SberBank

EDUCATION:

1970 – Moscow Financial Institute, major in
Finance and Credit

1978 – All-Union Correspondence Institute of
Finance and Economy, postgraduate program,
PhD in Economics

MEMBERSHIP IN COMMITTEES:

no membership in Committees



Mikhail Kovalchuk

Member of the Supervisory Board
Independent Director

DATE OF BIRTH:

21.09.1946

CURRENT PLACE OF WORK
(POSITION):

President of National Research Center
Kurchatov Institut

EDUCATION:

1970 – Zhdanov Leningrad State University,
major in Physics (physics of X-rays)

1988 – PhD in Physics and Mathematics

1998 – Professor degree

2000 – Corresponding Member of the Russian
Academy of Sciences (RAS)

MEMBERSHIP IN COMMITTEES:

Member of the Audit Committee, member
of the Technology Committee



Vladimir Kolychev

Member of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

24.06.1983

CURRENT PLACE OF WORK
(POSITION):

Deputy Minister of Finance of the Russian
Federation

EDUCATION:

2006 – Academy of National Economy under
the Government of the Russian Federation,
major in Finance and Credit

MEMBERSHIP IN COMMITTEES:

Member of the Audit Committee, member
of the Strategic Planning and Sustainable
Development Committee, member of the Risk
Management Committee



Nikolay Kudryavtsev

Member of the Supervisory Board
Independent Director

DATE OF BIRTH:

08.05.1950

CURRENT PLACE OF WORK
(POSITION):

Rector of Moscow Institute of Physics
and Technology (National Research
University)

EDUCATION:

1973 – Moscow Institute of Physics
and Technology (MIPT), major in Physics
and Chemical Process Mechanics

1977 – PhD in Physical and Mathematical
Sciences

1987 – Doctoral degree in Physical
and Mathematical Sciences

1990 – Professor degree

2003 – Corresponding Member of the
Russian Academy of Sciences (RAS)

MEMBERSHIP IN COMMITTEES:

Member of the Audit Committee, member
of the HR and Remuneration Committee,
member of the Technology Committee

BRIEF BIOGRAPHICAL DATA ON SUPERVISORY BOARD MEMBERS



Alexander Kuleshov

Member of the Supervisory Board
Independent Director

DATE OF BIRTH:

02.05.1946

CURRENT PLACE OF WORK
(POSITION):

President of Skolkovo Institute
of Science and Technology

EDUCATION:

1970 – Lomonosov Moscow State University,
major and/or specialization: Mathematics

1977 – PhD in Technical Sciences

1987 – Doctoral degree in Technical Sciences

1989 – Professor degree

2008 – Corresponding Member of the
Russian Academy of Sciences

2011 – Academician of the Russian Academy
of Sciences

MEMBERSHIP IN COMMITTEES:

Chairman of the Technology Committee,
member of the Audit Committee, member
of the Risk Management Committee



Maksim Oreshkin

Member of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

21.07.1982

CURRENT PLACE OF WORK
(POSITION):

Aide to the President of the Russian
Federation

EDUCATION:

2004 – Master’s degree in Economics from
Higher School of Economics, major
in Economics

MEMBERSHIP IN COMMITTEES:

No membership in Committees



Nadya Wells

Member of the Supervisory Board
Independent Director

DATE OF BIRTH:

24.12.1970

CURRENT PLACE OF WORK
(POSITION):

Current place of work (position): Independent
Investment and Corporate Governance
Advisor

EDUCATION:

1993 – Master’s degree from Oxford
University (with honors), major in Modern
History and Modern Languages

2000 – INSEAD Business School (France),
MBA

MEMBERSHIP IN COMMITTEES:

Chairman of the Audit Committee, member
of the Strategic Planning Committee
and Sustainable Development, member
of the Risk Management Committee



Dmitry Chernyshenko

Member of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

20.09.1968

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Government of the
Russian Federation

EDUCATION:

1992 – Moscow State Technological University
STANKIN, major in Automated Design
Systems

2009 – Moscow Institute Touro, MBA

MEMBERSHIP IN COMMITTEES:

Chairman of the Strategic Planning and
Sustainable Development Committee,
member of the HR and Remuneration
Committee, member of the Technology
Committee

BRIEF BIOGRAPHICAL DATA ON SUPERVISORY BOARD MEMBERS

Members of the supervisory board whose powers terminated from 25.09.2020



Valery Goreglyad

Member of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

18.06.1958

CURRENT PLACE OF WORK (POSITION):
Chief Auditor of the Bank of Russia

EDUCATION:

1981 – S. Ordzhonikidze Moscow Aviation Institute, major in Aircraft Manufacturing

1996 – PhD in Economics

2003 – Doctoral degree in Economics

2012 – Professor degree

2017 – Russian Presidential Academy of National Economy and Public Administration, major in Legal Studies

MEMBERSHIP IN COMMITTEES:

Chairman of the HR and Remuneration Committee, member of the Audit Committee



Nadezhda Ivanova

Member of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

13.06.1953

CURRENT PLACE OF WORK (POSITION):
Head of the Main Directorate of the Bank of Russia in the Central Federal District

EDUCATION:

1975 – Moscow Financial Institute, major in Finance and Credit

MEMBERSHIP IN COMMITTEES:

Member of the Audit Committee, member of the Risk Management Committee



Olga Skorobogatova

Member of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

04.06.1969

CURRENT PLACE OF WORK (POSITION):
First Deputy Governor of the Bank of Russia

EDUCATION:

1990 – Plekhanov Moscow Institute of National Economy (with honors)

1995 – California State University (USA), MBA in Management and Economics

MEMBERSHIP IN COMMITTEES:

Member of the Strategic Planning Committee, member of the Information Technology Committee



Sergei Shetsov

Deputy Chairman of the Supervisory Board
Non-Executive Director

DATE OF BIRTH:

27.12.1970

CURRENT PLACE OF WORK (POSITION):
First Deputy Governor of the Bank of Russia

EDUCATION:

1993 – Lomonosov Moscow State University, major in Economic Cybernetics

MEMBERSHIP IN COMMITTEES:

Chairman of the Strategic Planning Committee

Detailed information on the members of the Supervisory Board:
sberbank.com/ru/investor-relations/corporate-governance/supervisory_board

Supervisory Board Committees

Five committees have been set up by the Supervisory Board for prior consideration of the most important issues within the competence of the Supervisory Board and for the preparation of recommendations for decision-making on such issues.

The committees report to the Supervisory Board. The heads of the committees provide reports to the Supervisory Board on the work they have done, issues reviewed and resolutions adopted.

The work plans of the committees are prepared by the heads of the respective committees on the basis of the Supervisory Board's work plan, proposals initiated by committee members, as well as relevant divisions of the bank given the tasks of each committee.

Committee meetings are usually held in person (joint attendance, telephone or videoconference) with the following frequency:

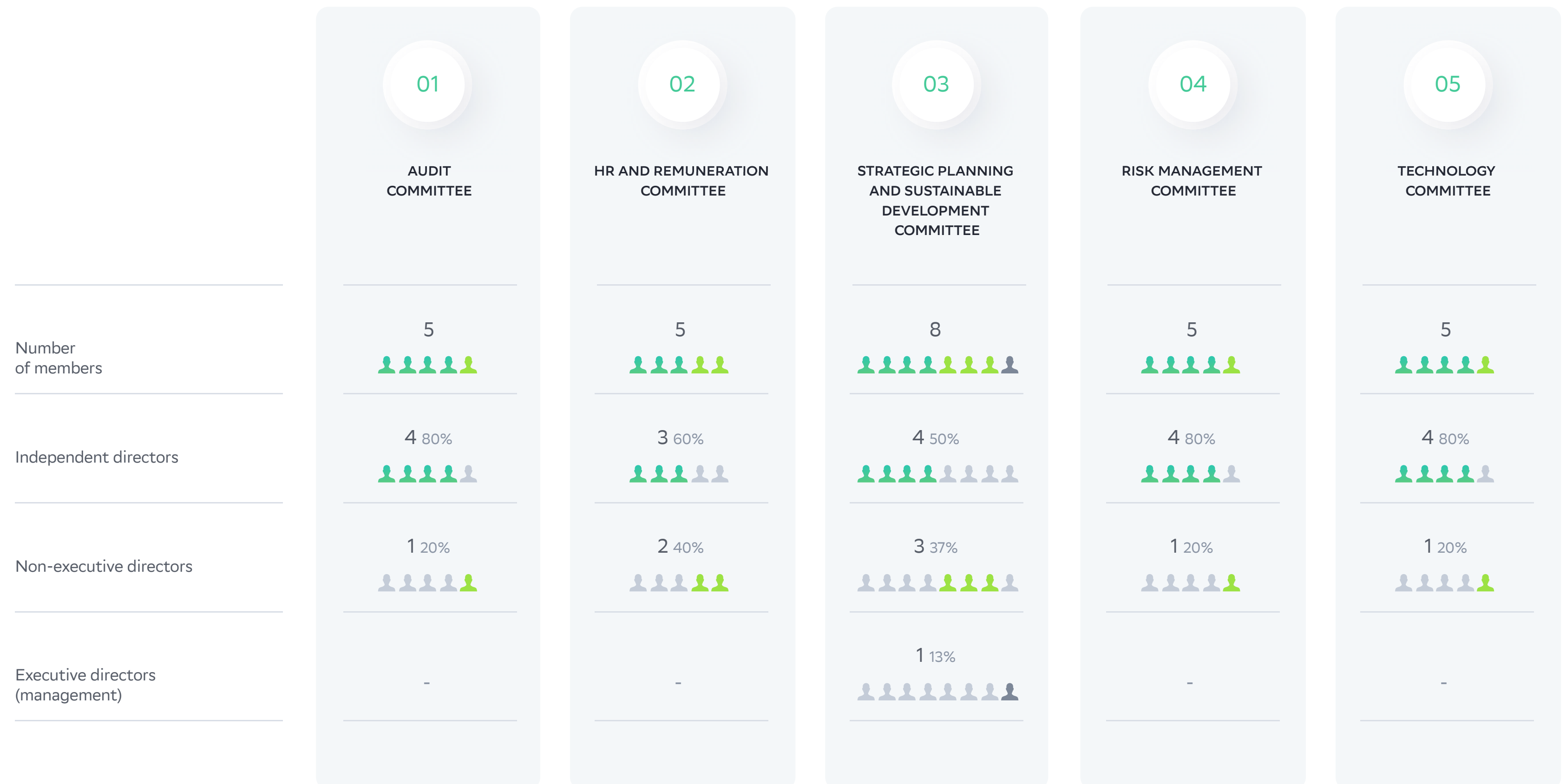
Audit Committee—at least four times a year;

HR and Remuneration Committee, Strategic Planning and Sustainable Development, Technology and Risk Management Committees—at least two to three times a year.

Individual decisions may be taken by the committees at meetings held in the form of absentee voting.

STRUCTURE OF COMMITTEES OF THE SUPERVISORY BOARD

GRI 102-24 Nominating and selecting the highest governance body



AUDIT COMMITTEE

The Audit Committee has been created by the Supervisory Board for preliminary review of items related to control over the bank's financial and economic activities.

The main objectives

The main objectives of the Audit Committee are to enhance internal control, risk management and corporate governance systems; support the Supervisory Board in its administration and control of the functioning of these systems; ensure the accuracy of financial statements; monitor the performance of the external auditor and the Internal Audit Service.

As part of the selection of an audit firm, the Audit Committee assesses the independence of the audit organization and the absence of conflicts of interest, evaluates the criteria for the selection of such organization and candidates, prepares recommendations to the Supervisory Board on the selection of an audit firm for approval by the General Meeting of Shareholders and the terms of the agreement made with the firm.

The functions of the Audit Committee also include reviewing the bank's Annual Report and making recommendations to the Supervisory Board on its preliminary approval.

COMPOSITION OF THE AUDIT COMMITTEE

GRI 102-22 Composition of the highest governance body and its committees

Most of the members of the Audit Committee are independent directors. The Chair of the Audit Committee is an independent director.

During 2020, the following changes occurred in the composition of the committee: two members Valery Goreglyad and Nadezhda Ivanova (non-executive directors) resigned from the Supervisory Board and the committee (were not elected at the Annual General Meeting of Shareholders held on 25 September 2020). The new members joined the committee: Mikhail Kovalchuk (independent director) and Vladimir Kolychev (non-executive director). The number of committee members remained the same (5 members).

The rotation rate of the Audit Committee in 2020 was 40%.

Attendance of Audit Committee meetings

7 MEETINGS

of the Audit Committee were held in 2020

7 in-person meetings



ACTIVITIES OF THE AUDIT COMMITTEE IN 2020

Within its remit, the Audit Committee considered the following issues in 2020:

- Results of inspections carried out by the Internal Audit Service of Sberbank in 2019
- Assessment of the performance and independence of the Internal Audit Service Performance assessment of the head of the Internal Audit Service
- Consolidated financial statements of PJSC Sberbank under IFRS
- Review of the audit opinion on the annual financial statements of PJSC Sberbank for 2019
- Opinion prepared by the Internal Audit Service of Sberbank for 2019
- Distribution of profit of PJSC Sberbank and the recommended amount of dividends payable for 2019
- Results of inspections carried out by the Internal Audit Service of Sberbank for Q12020
- Review of the principles of non-audit services provided to the bank by the auditor
- Distribution of profit of PJSC Sberbank and the recommended amount of dividends payable for 2019
- Results of inspections carried out by the Internal Audit Service of Sberbank for H12020
- Metrics applied by the Audit Committee of the Supervisory Board for the performance assessment of the Internal Audit Service based on the results of a reporting year
- Results of inspections carried out by the Internal Audit Service of Sberbank for the nine months of 2020
- Approval of the Work Plan of the Internal Audit Service for 2021
- Results of work of PricewaterhouseCoopers Audit and recommendations related to the results of the audit for 2019
- Key issues of external audit for 2020 and draft audit opinions on the bank's annual financial statements under RAS and the bank's consolidated statements under IFRS for 2020
- Independence Policy for External Auditors
- Approval of the Work Plan of the Supervisory Board's Audit Committee for 2020–2021
- Other issues

HR AND REMUNERATION COMMITTEE

The HR and Remuneration Committee under the Supervisory Board is tasked with creating an effective remuneration system, planning succession and ensuring the professional level of the members of the Supervisory Board, executive bodies and other key executives of the bank.

The main objectives

The main objectives of the HR and Remuneration Committee are to strengthen the staffing structure and increase the effectiveness of the Supervisory Board, to prepare proposals on development of an effective remuneration system for members of the Supervisory Board, executive bodies and other key executives of the bank.

The functions of the committee include the creation of programs for adaptation and professional development of Supervisory Board members, tailored to their individual needs, as well as monitoring the practical implementation of these programs.

The HR and Remuneration Committee regularly evaluates the performance of members of the bank's executive bodies, including against ESG metrics, and also recommends nominees for the post of Curator for ESG and Sustainable Development from the Supervisory Board.

COMPOSITION OF THE HR AND REMUNERATION COMMITTEE

GRI 102-22 Composition of the highest governance body and its committees

Most of the members of the HR and Remuneration Committee are independent directors. The Chair of the HR and Remuneration Committee is an independent director.

In 2020, the following changes occurred in the composition of the committee: committee member Valery Goreglyad (non-executive director) resigned from the Supervisory Board and the committee (was not elected at the Annual General Meeting of Shareholders held on 25 September 2020). Sergey Ignatiev (non-executive director) was appointed to the committee.

Additionally, the number of committee members increased from three to five people as two more new members joined—Nikolay Kudryavtsev (independent director) and Dmitry Chernyshenko (non-executive director).

Thus, the new joiners constituted 60% of the committee's membership.

Attendance of HR and Remuneration Committee meetings

7 MEETINGS

of the HR and Remuneration Committee were held in 2020 (six in person and one in absentia)



ACTIVITIES OF THE HR AND REMUNERATION COMMITTEE IN 2020

Within its remit, the HR and Remuneration Committee considered the following issues in 2020:

- Discussion of Supervisory Board nominations received from Sberbank shareholders for election at the Annual General Meeting of Shareholders of Sberbank for 2019
- Procedure for paying remuneration to Sberbank employees taking risks in the 2019–2020 cycle; launch of the next cycle of the Long-term Remuneration Program for risk-taking employees of Sberbank; keeping in force the current version of internal regulatory documents governing the employee compensation system
- Amendments to the decision of the Supervisory Board on the inclusion of candidates for the Supervisory Board in the list to be voted on at the Annual General Meeting of Shareholders
- Changes in the composition of the bank's Executive Board
- Corporate governance system of Sberbank
- Self-assessment of the performance of the Supervisory Board and its committees in 2020
- Preservation of the existing terms of employment contracts of the CEO, Chairman of the Executive Board and members of the Executive Board of Sberbank
- Implementation of a long-term incentive program for key personnel
- Other issues

STRATEGIC PLANNING AND SUSTAINABLE DEVELOPMENT COMMITTEE

In 2020, the committee was renamed as the Strategic Planning and Sustainable Development Committee as the scope of matters addressed by the committee was expanded to cover ESG and sustainable development issues, including the Bank's strategic development in the field of sustainable development.

The main objectives

The main objective of the committee is to prepare and submit recommendations (opinions) to the Supervisory Board on issues of the bank's business strategy and policy in the field of sustainable development that are within the competence of the Supervisory Board or are considered by the Supervisory Board in order to monitor the activities of the bank's executive bodies.

The functions of the Strategic Planning and Sustainable Development Committee include the development of guidance for the Supervisory Board regarding the strategic goals and directions in sustainable development, including ESG goals, the goals to monitor the implementation of the bank's Development Strategy and develop measures for its refinement together with the bank's executive bodies, as well as other matters.

COMPOSITION OF THE STRATEGIC PLANNING AND SUSTAINABLE DEVELOPMENT COMMITTEE

GRI 102-22 Composition of the highest governance body and its committees

Half of the members of the Strategic Planning and Sustainable Development Committee are independent directors. The Chairman of the committee is a non-executive director.

In 2020, the following changes occurred in the composition of the committee: two non-executive directors Sergey Shvetsov and Olga Skorobogatova resigned from the Supervisory Board and the committee (were not elected at the Annual General Meeting of Shareholders held on 25 September 2020). Maksim Oreshkin (non-executive director), re-elected at the Annual General Meeting of Shareholders on 25 September 2020, also left the committee.

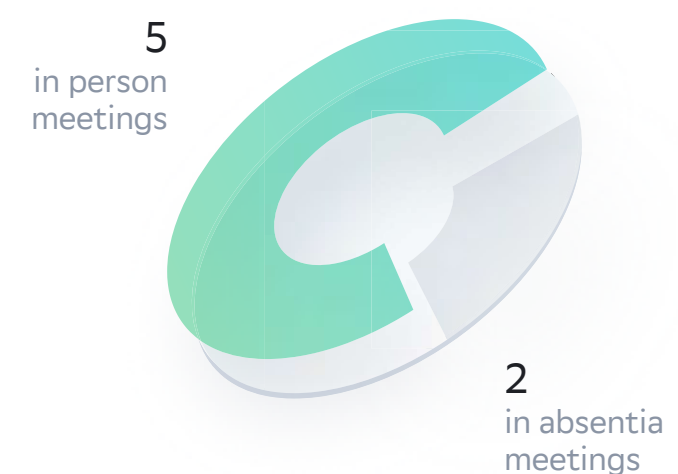
Three new members (non-executive directors) joined the committee: Dmitry Chernyshenko, Sergey Ignatiev, Vladimir Kolychev.

The rotation rate of the Strategic Planning and Sustainable Development Committee in 2020 was 38%.

Attendance of Strategic Planning and Sustainable Development Committee meetings

7 MEETINGS

of the Strategic Planning and Sustainable Development Committee were held in 2020



ACTIVITIES OF THE STRATEGIC PLANNING AND SUSTAINABLE DEVELOPMENT COMMITTEE IN 2020

Within its remit, the Strategic Planning and Sustainable Development Committee considered the following issues in 2020:

- Development of Sberbank's corporate culture
- ESG development
- Report on the implementation of KPIs in SME lending
- Progress of corporate and investment business development projects at Sberbank
- Ecosystem metrics
- A new version of the Regulation on the Dividend Policy of PJSC Sberbank
- International business of Sberbank
- Approval of the Work Plan of the Supervisory Board's Strategic Planning and Sustainable Development Committee for 2020–2021
- The Sber Development Strategy 2023
- Progress of retail business projects at Sberbank
- Progress of the implementation of the information policy and prospects of the marketing function at Sberbank
- Other issues

RISK MANAGEMENT COMMITTEE

The Risk Management Committee has been established to prepare and submit recommendations on risk management to the Supervisory Board.

The main objectives

The main objectives of the Risk Management Committee are preliminary consideration of the risk management strategy of the bank and its Group, their risk appetite, as well as monitoring the implementation of the risk management strategy and compliance with risk appetite.

The functions of the Risk Management Committee include control over and preliminary consideration of the Group's risk and capital management issues, consideration of reporting, including as part of internal capital adequacy assessment procedures, consideration of issues related to the management of certain key types of risks, including social and environmental risk (ESG risk), technology risk.

COMPOSITION OF THE RISK MANAGEMENT COMMITTEE

GRI 102-22 Composition of the highest governance body and its committees

Most of the members of the Risk Management Committee are independent directors. The Chairman of the Risk Management Committee is an independent director.

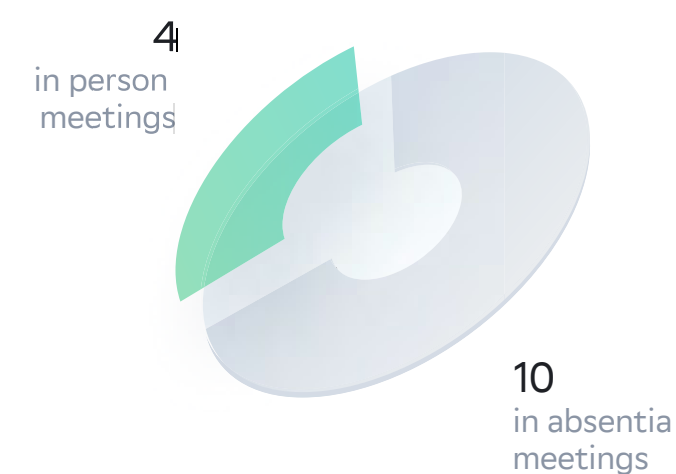
In 2020, the following changes occurred in the composition of the committee: committee member Nadezhda Ivanova (non-executive director) resigned from the Supervisory Board and the committee (was not elected at the Annual General Meeting of Shareholders held on 25 September 2020). Vladimir Kolychev (non-executive director) was appointed to the committee.

The rotation rate of the Risk Management Committee in 2020 was 20%.

Attendance of Risk Management Committee meetings

14 MEETINGS

of the Risk Management Committee were held in 2020



ACTIVITIES OF THE RISK MANAGEMENT COMMITTEE IN 2020

Within its remit, the Risk Management Committee considered the following issues in 2020:

- Risk report of Sberbank Group for Q1 2020
- Results of reverse stress testing
- Risk report of Sberbank Group for Q2 2020
- Updating the risk appetite of Sberbank and Sberbank Group
- Approval of the Work Plan of the Supervisory Board's Risk Management Committee for 2020–2021
- Risk report of Sberbank Group for Q3 2020
- Level of compliance system development, implemented and planned measures to manage compliance risks
- Activities of the Internal Control Service in 2020
- Report on the level of compliance system development and activities of the Internal Control Service in 2020
- Other issues

TECHNOLOGY COMMITTEE

In 2019, a new Information Technology Committee was created by the Supervisory Board to resolve issues related to the development of information technologies in the bank. The establishment of this committee was initiated by Supervisory Board members themselves.

In 2020, it was decided to expand the functionality of the Information Technology Committee by preparing and providing the Supervisory Board with recommendations on the implementation, use, development and management of any technologies in the bank. In this regard, the committee was renamed as the Technology Committee.

The main objectives

The key objective of the Technology Committee is to prepare and submit recommendations to the Supervisory Board on the implementation, use, development and management of technologies. The functions of the Technology Committee include oversight of monitoring processes and appropriate responses to changes in technologies, including taking into account their potential, assessing their possible impact on the bank's activities and its Development Strategy, as well as creating new opportunities for further strategic development of the bank; consideration, together with the Risk Management Committee, of issues related to technology risk management.

COMPOSITION OF THE TECHNOLOGY COMMITTEE

GRI 102-22 Composition of the highest governance body and its committees

Most of the members of the Technology Committee are independent directors and experts in information and other technologies. The Chairman of the Technology Committee is an independent director.

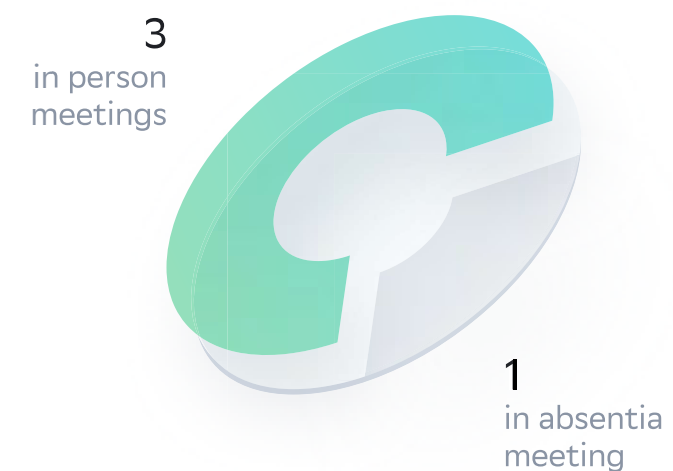
In 2020, the following changes occurred in the composition of the committee: committee member Olga Skorobogatova (non-executive director) resigned from the Supervisory Board and the committee (was not elected at the Annual General Meeting of Shareholders held on 25 September 2020). Dmitry Chernyshenko (non-executive director) was appointed to the committee.

The rotation rate of the Technology Committee in 2020 was 20%.

Attendance of Technology Committee meetings

4 MEETINGS

of the Technology Committee were held in 2020



ACTIVITIES OF THE TECHNOLOGY COMMITTEE IN 2020

Within its remit, the Technology Committee considered the following issues in 2020:

- Cybersecurity of Sberbank and measures to combat violations of the rights and interests of Sberbank clients related to cybersecurity
- The state and development prospects of information technologies at Sberbank
- Management of technology risk at Sberbank
- Approval of the Work Plan of the Supervisory Board's Technology Committee for 2020–2021
- Other issues

Corporate Governance Development Trends

2020 saw the following key trends in the development of the bank's corporate governance system: support for the activities of the Supervisory Board; ensuring the rights and legitimate interests of shareholders; introduction of electronic procedures to corporate governance processes; implementation of ESG principles.

Measures implemented by the bank in 2020

Securing shareholders' rights

- Activities were implemented to increase the engagement of the bank's shareholders in the corporate governance processes (the EasyStoks Run games were upgraded, thematic quizzes held, an interactive map of the GSM created, a mobile application for the GSM upgraded, voice tools introduced in interaction with shareholders (robot assistant, voice activities, etc.))
- The level of trust in the corporate governance system was monitored on the basis of feedback (questionnaires of users of electronic services, online surveys, offline meetings and consultations)
- The upgraded GSM mobile applications migrated to the bank's target platforms

Introduction of best practices into the activities of the Supervisory Board

- The SberBoard mobile application, a personal account of a member of the Supervisory Board with a wide range of functions, was developed and launched
- The summer training session, the autumn training session and the traditional introductory course for newly elected members of the Supervisory Board were organized in order to promote the development of the competencies of Supervisory Board members
- Self-assessment of the Supervisory Board performance for 2019 was carried out
- The Supervisory Board's Work Plan for 2020–2021 was prepared with due account for sustainability matters (ESG factors)

Cascading down corporate governance practices to Sberbank Group companies

- Developed on the AS SCS (Sberbank Corporate Structure) platform:
- Tools for monitoring the tax function of Sberbank Group
 - A single communication space for Sberbank Group (online communication between Sberbank and Group companies, including collection of information for other Sberbank automated systems that accumulate information about the Group, routine intragroup interaction, monitoring of response times, publication of the Group's news)
 - A cycle of automation of major transaction and related-party transaction support, including the identification of such transactions in the bank's systems, was implemented

Ensuring information transparency

- A project to automate disclosures in the form of notices of material facts was launched

Development and support of legislative initiatives in the field of corporate governance

- A new version of Sberbank's Corporate Governance Code was approved
- Regulatory initiatives in the field of corporate governance were proposed and supported

Broad areas for improvement of corporate governance practices of the bank in 2021

Securing the rights of shareholders and creating conditions for their exercise

Development of electronic services to facilitate the exercise of shareholders' rights:

- Development of the Sber Shareholder mobile application as a key source of information, a key tool for communication and interaction with shareholders, development of new functionalities
- Improving customer experience and increasing the availability of GSM e-voting services (one-click access from other automated systems of the bank for stakeholders, such as SberInvestor, etc.)
- Noticeable improvement of the bank's interaction with shareholders, including responses to requests, including via integration of Sber Shareholder and Retail CRM, and the creation of Shareholder Profile
- Updating the bank's Charter and Regulation on the General Meeting of Shareholders to formalize the possibility of holding general meetings of the bank in electronic form.

Supervisory Board and its committees

- Development of the competency matrix of candidates for the Supervisory Board based on the proposals received
- Inclusion in the agenda of Board meetings of the issues identified by Board members as focus areas
- Implementation of training programs to develop competences and professional knowledge of Board members in the announced areas (ecosystem, digital development, strategic planning, sustainable development and ESG, technologies)
- Development of digital services for Board members

Development of corporate governance practices in Sberbank Group companies

- Definition and implementation of the taxonomy of Sberbank Group's corporate governance concepts, elements and practices, preparation and cascading down of group-wide corporate governance standards and recommendations for their differentiated introduction to the corporate governance systems of Group companies
- Development and implementation of the Corporate Governance Rating for the Group's companies as part of the ESG agenda
- Formalization of rules and procedures for the selection of independent directors to the boards of directors of ecosystem companies, portfolio companies and subsidiary and affiliated companies
- Development of the AS SCS functionality. Customer journey improvement

Disclosure of information

- Completion of the project to automate disclosures in the form of notices of material facts

Integration of the ESG and sustainable development agenda into bank practices

- Consistent integration of sustainable development activities into the Supervisory Board's practices, including boosting the engagement of Board members in implementing the ESG agenda through membership in the ESG Committee of the bank and Russian Chapter
- Development and approval of the ESG policy
- Legal audit of the bank's corporate documents for compliance with ESG standards, best corporate governance practices and regulatory requirements
- Support for research of ESG practices applied by Russian companies

Executive Bodies

Executive Board

The Executive Board of the bank is a collective executive governing body headed by the CEO and the Chairman of the Executive Board, which is responsible for the general management of the bank's ongoing activities.

At least once a year, the Executive Board provides to the Supervisory Board a report on the progress of the bank's strategy and the implementation of resolutions approved by the Supervisory Board and General Meeting of Shareholders, and, on a quarterly basis, delivers a report on the bank's financial and economic performance and the level of risks assumed by the bank. Board members are appointed and dismissed by resolutions of the Supervisory Board.

The CEO and Chairman of the Executive Board of the bank heads the Executive Board and manages its activities, manages the operations of the bank, enforces the resolutions of the Supervisory Board and General Meeting of Shareholders, organizes the work of the Executive Board, allocates responsibilities among the members of the Executive Board and chairs the Executive Board's meetings. CEO, Chairman of the Executive Board is elected by the Supervisory Board for 4 years.

The CEO and Chairman of the Executive Board is responsible for organizing the system for preparation of and ensuring reliability of the bank's financial statements, the timely disclosure of information and providing its shareholders, the bank's clients and other stakeholders, with information about the bank's activities.

Composition of the Executive Board of Sberbank

as at 31 December 2020

1. **Herman Gref**
CEO, CHAIRMAN OF THE EXECUTIVE BOARD
2. **Alexander Vedyakhin**
FIRST DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
3. **Lev Khasis**
FIRST DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
4. **Olga Golodets**
DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
5. **Bella Zlatkis**
DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
6. **Stanislav Kuznetsov**
DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
7. **Sergey Maltsev**
DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
8. **Anatoly Popov**
DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
9. **Kirill Tsarev**
DEPUTY CHAIRMAN OF THE EXECUTIVE BOARD
10. **Natalya Alymova**
SENIOR VICE PRESIDENT, MEMBER OF THE EXECUTIVE BOARD
11. **Alexandra Buriko**
SENIOR VICE PRESIDENT, MEMBER OF THE EXECUTIVE BOARD

Executive Board membership changes:

From 1 January to 31 December 2020, the following changes occurred in the Board composition:

- Pursuant to the resolution of the Supervisory Board dated 11 February 2020, Olga Golodets was appointed Deputy Chairman of the Executive Board (the actual date of appointment is 21 February 2020).
- Pursuant to the resolution of the Supervisory Board dated 12 November 2019, Alexander Morozov, Deputy Chairman of the Executive Board, was removed from the Executive Board with effect from 1 July 2020.
- Pursuant to the resolution of the Supervisory Board dated 13 October 2020:
 - Svetlana Kirsanova, Deputy Chairman of the Executive Board, was removed from the Executive Board due to her dismissal with effect from 16 October 2020
 - Oleg Ganeev, Deputy Chairman of the Executive Board, was removed from the Executive Board and appointed Senior Vice President with effect from 16 October 2020
 - Kirill Tsarev was appointed to the Executive Board as Deputy Chairman of the Executive Board (the actual date of appointment is 9 November 2020)
 - Sergey Maltsev was appointed to the Executive Board as Deputy Chairman of the Executive Board (the actual date of appointment is 9 November 2020)
 - Alexandra Buriko was appointed to the Executive Board as Senior Vice President and CFO (the actual date of appointment is 13 October 2020)
 - Natalya Alymova was appointed to the Executive Board as Senior Vice President—Head of Wealth Management Block (the actual date of appointment is 9 November 2020).

Ownership of Sberbank shares by the members of the Executive Board

TITLE	NAME OF EXECUTIVE BOARD MEMBER	EQUITY INTEREST IN THE CHARTER CAPITAL OF SBERBANK, %	OWNED COMMON SHARES, %	TRANSACTIONS IN SBERBANK SHARES IN 2020
CEO, Chairman of the Executive Board	Herman Gref	0,0045	0,0044	On 10 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.0031%, the percentage of common shares was 0.003%. On 18 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.00399%, the percentage of common shares was 0.0039%.
First Deputy Chairman of the Executive Board	Alexander Vedyakhin	0,000027	0,000029	No transactions
First Deputy Chairman of the Executive Board	Lev Khasis	-	-	No transactions
Deputy Chairman of the Executive Board	Olga Golodets	-	-	No transactions
Deputy Chairman of the Executive Board	Bella Zlatkis	0,0004	0,0005	No transactions
Deputy Chairman of the Executive Board	Stanislav Kuznetsov	0,00125	0,00131	On 10 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.00059%, the percentage of common shares was 0.0006%. On 20 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.00081%, the percentage of common shares was 0.00085%.
Deputy Chairman of the Executive Board	Sergey Maltsev	0,000062	0,000033	No transactions
Deputy Chairman of the Executive Board	Anatoly Popov	0,00053	0,00055	On 30 January 2019 ¹ , he sold common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.00024%, the percentage of common shares was 0.00025%. On 3 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0%, the percentage of common shares was 0%. On 19 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.00029%, the percentage of common shares was 0.00030%.
Deputy Chairman of the Executive Board	Kirill Tsarev	0,00019	0,00021	No transactions
Member of the Executive Board, Senior Vice President	Natalya Alymova	-	-	No transactions
Member of the Executive Board, Senior Vice President	Alexandra Buriko	-	-	No transactions
MEMBERS OF THE EXECUTIVE BOARD WHOSE POWERS TERMINATED:				
Deputy Chairman of the Executive Board	Oleg Ganeev	0,0017	0,0009	On 14 June 2019 ² , he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.0012%, the percentage of common shares was 0.00053%. On 11 March 2020, he acquired common and preferred shares of Sberbank. Prior to the transactions, his share in the charter capital was 0.0014%, the percentage of common shares was 0.00073%.
Deputy Chairman of the Executive Board	Svetlana Kirsanova	-	-	No transactions
Deputy Chairman of the Executive Board	Alexander Morozov	0,0025	0,0014	On 10 March 2020, he acquired common shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.0017%, the percentage of common shares was 0.001%. On 18 March 2020, he acquired preferred shares of Sberbank. Prior to the transaction, his share in the charter capital was 0.0021%, the percentage of common shares was 0.0014%.

¹ Information on the transaction was provided to Sberbank on 5 March 2020

² Information on the transaction was provided to Sberbank on 30 September 2020

BRIEF BIOGRAPHICAL DATA ON EXECUTIVE BOARD MEMBERS



Herman Gref

DATE OF BIRTH:
08.02.1964

CURRENT PLACE OF WORK
(POSITION):

President, Chairman of the Executive Board of SberBank

EDUCATION:

1990 – F. M. Dostoevsky Omsk State University, major in Law

1993 – St. Petersburg State University, postgraduate program, Law department

2011 – PhD in Economics

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2007



Alexander Vedyakhin

DATE OF BIRTH:
20.02.1977

CURRENT PLACE OF WORK
(POSITION):

First Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1999 – Volgograd State Technical University (with honors), major in Global Economics

2001 – PhD in Economics

2010 – Academy of National Economy under the Government of the Russian Federation, MBA Banks program

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2018



Lev Khasis

DATE OF BIRTH:
05.06.1966

CURRENT PLACE OF WORK
(POSITION):

First Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1989 – Korolev Kuibyshev Aviation Institute of the Order of the Red Banner of Labor, major in Aircraft Engineering

1995 – Institute of Retraining and Advanced Training in Finance and Banking of the Financial Academy under the Government of the Russian Federation, major in Banking

2001 – St. Petersburg University of the Ministry of Internal Affairs of the Russian Federation, major in Law

2007 – Institute for Systems Analysis of Russian Academy of Sciences, Doctoral degree in Economics

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2013



Olga Golodets

DATE OF BIRTH:
01.06.1962

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1984 – Lomonosov Moscow State University, major in Political Economy

1990 – PhD in Economics

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2020



Bella Zlatkis

DATE OF BIRTH:
05.07.1948

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1970 – Moscow Financial Institute, major in Finance and Credit

1978 – All-Union Correspondence Institute of Finance and Economy, postgraduate program, PhD in Economics

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2005

BRIEF BIOGRAPHICAL DATA ON EXECUTIVE BOARD MEMBERS



Stanislav Kuznetsov

DATE OF BIRTH:
25.07.1962

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1984 – Military Institute with a Military and Political Specialization including the study of foreign languages (German and Czech)

2002 – Law Institute of the Ministry of Internal Affairs, major in Law

2005 – PhD in Law

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2008



Sergey Maltsev

DATE OF BIRTH:
28.02.1973

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1995 – Perm State Technical University, major in Economics and Enterprise Management

2017 – Massachusetts Institute of Technology (USA), advanced training

2019 – Stanford University (USA), advanced training

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2020



Anatoly Popov

DATE OF BIRTH:
05.12.1974

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1995 – Novosibirsk State University, major in Applied Mathematics and Informatics

1997 – Novosibirsk State University, major in Economics and Enterprise Management

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2018



Kirill Tsarev

DATE OF BIRTH:
25.09.1978

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

2000 – St. Petersburg State Marine Technical University, major in Economics and Machine Building Enterprise Management

2003 – St. Petersburg State Marine Technical University, major in Law

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2020



Natalya Alymova

DATE OF BIRTH:
26.02.1979

CURRENT PLACE OF WORK
(POSITION):

Member of the Executive Board, Senior Vice President – Head of Wealth Management Block

EDUCATION:

2001 – Financial Academy under the Government of the Russian Federation, major in Finance and Credit

2015 – INSEAD, European Institute of Business Management (France), advanced training

2015 – Stanford University (USA), advanced training

2015 – International Institute for Management Development (Switzerland), advanced training

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2020

BRIEF BIOGRAPHICAL DATA ON EXECUTIVE BOARD MEMBERS



Alexandra Buriko

DATE OF BIRTH:
06.06.1977

CURRENT PLACE OF WORK
(POSITION):

Member of the Executive Board, Senior Vice President and CFO

EDUCATION:

1998 — Lomonosov Moscow State University, major in Mathematical Methods in Economics

2001 — Canadian Institute of Chartered Accountants (Alberta)

2002 — Licensed as a Certified Public Accountant (CPA) by the Maine State Board of Accountanc

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2020

Members of the executive board whose powers terminated in 2020:



Oleg Ganeev

DATE OF BIRTH:
05.10.1972

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1995 — Ufa State Aviation Technical University, major in Automated Design Engineering System

1997 — Bashkir State University, major in Economic and Social Planning

2010 — Academy of National Economy under the Government of the Russian Federation, MBA program at Strategic Management and Marketing

2014 — London Business School, Management and Finance for Bankers

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2014



Svetlana Kirsanova

DATE OF BIRTH:
23.12.1983

CURRENT PLACE OF WORK
(POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

2008 — Российский государственный социальный университет по специальности «Финансы и кредит»

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2018



Alexander Morozov

DATE OF BIRTH:
09.03.1969

CURRENT PLACE OF WORK (POSITION):

Deputy Chairman of the Executive Board of SberBank

EDUCATION:

1995 — Lomonosov Moscow State University, major in Economic Theory

2004 — Harvard Business School, MBA

BECAME A MEMBER OF THE EXECUTIVE BOARD IN:
2008

Detailed information on the members of the Executive Board sberbank.com/ru/investor-relations/corporate-governance/sberbank-executive-board

Corporate Secretary

The position of Corporate Secretary has been established by the bank to ensure the compliance by the governing bodies and officers of the bank with corporate governance procedures, the current law, the Charter, Corporate Governance Code and internal regulatory documents of the bank that guarantee the rights and legitimate interests of shareholders.

The Corporate Secretary:

- is appointed by, accountable to and controlled by the Supervisory Board and reports administratively to the CEO, Chairman of the Executive Board
- annually provides the Supervisory Board with a report on the improvement of the corporate governance system in the bank
- is the head of the Corporate Secretary Service, a structural division of the bank

KEY OBJECTIVES:

- to enhance the bank’s corporate governance system and practices
- to interact with shareholders to ensure compliance with corporate procedures and to protect their rights and legitimate interests
- to ensure interaction of the bank’s shareholders with the Chairman of the Supervisory Board and the Senior Independent Director
- to participate in the preparations for and holding of General Meetings of Shareholders
- to help organize the work of the Supervisory Board, including:
 - creation of modern working conditions in terms of technology and organization for Supervisory Board members
 - ensuring effective communication both among Supervisory Board members and their communication with shareholders and management of the bank
 - development and updating of the procedure for preparation of materials related to the agenda of Supervisory Board meetings
 - preparation of explanations on corporate law and management matters, the content of the bank’s constitutional documents, as well as on the form and procedure of resolutions made at a meeting of the Supervisory Board
- to participate in the implementation of the disclosure policy, ensure storage of corporate documents
- to monitor the compliance with legal requirements, the Charter and internal documents falling within the competence of the Corporate Secretary.



Oleg Tsvetkov

Managing Director, Head of the Corporate Secretary Service

DATE OF BIRTH:

01.12.1973

CAREER:

12 September 2014 to present:
Corporate Secretary of Sberbank— Head of the Corporate Secretary Service

July 2011 to present:
Chairman of the Board of Russian public organization “National Association of Corporate Secretaries”

EDUCATION:

2000 — Moscow State Law Academy, majoring in Legal Studies

2002 — PhD in Philology (English)

2008 — Business School at the Northumbria University (UK), MBA

2017 — International Directors Certification Program IoD Chartered Director (UK Institute of Directors), Dip Iod Certificate

The activities of the Corporate Secretary are governed by the Regulation on the Corporate Secretary approved by the Supervisory Board:
sberbank.com/common/img/uploaded/files/pdf/normative_docs/polcorsec.pdf

Audit and Control System

INTERNAL CONTROL SERVICE

The Internal Control Service is a group of employees of the Compliance Division of the bank who are not organized into a separate structural unit and whose duties include the performance of functions defined by the Regulation on the Internal Control Service.

Employees of various structural divisions of the bank may also perform certain functions of the Internal Control Service, if their job descriptions provide for the fulfillment of tasks and functions related to internal control and regulatory risk management.

The Internal Control Service reports to the CEO, Chairman of the Executive Board of the bank.

The Internal Control Service is guided by the principles of independence, impartiality, objectivity and professional competence, non-involvement in illegal activities, timely submission of information to state authorities and the Bank of Russia in accordance with the legislation of the Russian Federation.

Key functions of the Internal Control Service:

- identification and monitoring of regulatory risk
- keeping record of regulatory risk events, determining the likelihood of their occurrence and quantifying the possible consequences
- providing recommendations on regulatory risk management to the heads of structural divisions and governing bodies of the bank
- coordination of and participation in the development of a set of measures to mitigate regulatory risks
- informing bank employees about issues related to regulatory risk management
- identification of conflicts of interest in the activities of the bank and its employees, participation in the development of internal documents aimed at their minimization
- participation in the development of internal documents and implementation of measures to comply with the rules of corporate conduct, professional ethics, to fight commercial bribery and corruption
- participation in the bank's interaction with regulatory authorities, self-regulatory organizations, associations and financial market participants



Larisa Zalomikhina

Head of the Internal Control Service of Sberbank; Senior Managing Director—Director of the Compliance Division

DATE OF BIRTH:

04.01.1973

CAREER:

December 2014 to present:
Director of the Compliance Division

EDUCATION:

1996 — Moscow Institute of Physics and Technology (MIPT), majoring in Applied Mathematics and Physics, engineer, mathematician

ICA Professional PostGraduate in Governance, Risk and Compliance, ICA

Audit and Control System

INTERNAL AUDIT SERVICE

The Internal Audit Service is intended to assist the management bodies of the Sberbank PJSC in achieving their goals and ensuring the efficiency and effectiveness of its operations.

The Service operates in accordance with the principles of continuity, independence, impartiality, integrity, objectivity and professional competence. In its work, the Service applies best practices in the area of internal audit, including the international framework for professional internal audit practices.

The Internal Audit Service reports to the Supervisory Board of the bank and is administratively subordinate to the CEO, Chairman of the Executive Board.

The head of the Service is appointed and dismissed by the Supervisory Board of the bank.

The bank takes the necessary measures to ensure the independence and impartiality of the Internal Audit Service and creates the conditions for the smooth and efficient performance of its functions.

The Internal Audit Service performs reviews in all areas of the bank's activity, monitors the effectiveness of measures taken by the bank's divisions and management bodies based on the results of the reviews to ensure that the level of identified risks is reduced.

As part of the reports of the Service to the Supervisory Board of the bank, the Head of the Service informs about the implementation of the work plan of the Service, approved by the Supervisory Board, about the identified shortcomings in the functioning of the system of internal control, the system of risk management and corporate governance, and the actions taken to eliminate them.

In 2020, based on the results of the audits performed by the bank's management, more than 1,300 instructions were given to solve problems in the bank's processes. As a result of the instructions performed by the business, 378 processes were improved.

In 2020, the Internal Audit Service increased its focus on ESG issues, which were included in the programs of more than 150 audits. The Service pays special attention to checking the security of client data, identifying fraudulent schemes, as well as issues of compliance by bank employees with the code of ethics and fraudulent sales.



Oleg Chistyakov

Head of the Internal Audit Service; Senior Managing Director – Director of the Internal Audit Division

DATE OF BIRTH:

22.10.1964

CAREER:

January 2015 to present:
PJSC Sberbank, Senior Managing Director,
Director of the Internal Audit Division

EDUCATION:

1986: S. Ordzhonikidze Moscow Management Institute, Engineer-Economist

Audit and Control System

RISK MANAGEMENT SERVICE

In order to manage risks, the bank has established a Risk Management Service, which is a set of structural divisions and committees of the bank whose main function is risk management. To avoid conflicts of interest, the bank ensures the independence of units responsible for risk management from units carrying out operations or transactions subject to risks.

The Risk Management Service:

- is represented by the Risks Division;
- reports to the Supervisory Board, the CEO, the Chairman of the Executive Board and the Executive Board of the bank;
- provides reports to the Supervisory Board of the bank—at least once a quarter, to the executive bodies—at least once a month.

Key functions of the Risk Management Service:

- identification and materiality assessment of risks
- risk assessment, aggregation and forecasting
- setting of risk limits
- monitoring and control of risk-taking, implementation of measures to mitigate the taken risk in order to keep it within the limits established internally or externally
- assessment of capital charges for material risks for which capital requirements are defined, including in stress scenarios
- development of preventive and remedial actions to maintain capital adequacy and prevent/reduce losses in stress scenarios
- providing information on material risks and capital adequacy
- ensuring a common understanding of risks at the Group level
- developing risk culture and risk management competencies using best global practices



Dzhangir Dzhangirov

Head of the Risk Management Service,
Senior Vice-President

DATE OF BIRTH:

21.09.1981

CAREER:

With Sberbank Group since 2008; Senior Vice President, Chief Risk Officer of Sberbank Group since June 2018

Member of the Boards of Directors and Supervisory Boards of subsidiary banks and subsidiaries of Sberbank

EDUCATION:

2002 – Lomonosov Moscow State University, Faculty of Mechanics and Mathematics, majoring in Mathematics, Applied Mathematics

2004 – Russian Economic School (Institute), MA in Economics

2006 – Chartered Financial Analyst, Financial Risk Manager (professional certification by CFA Association and Global Association of Risk Professionals (GARP), respectively

Audit and Control System

EXTERNAL AUDITOR

In order to check and verify the reliability of financial (accounting) statements compiled both under Russian and international standards, Sberbank employs an independent audit organization.

Sberbank holds an open tender for selecting the auditing organization that will be entitled to provide audit services. Tender documentation for the open tender is approved by the tender commission and published in line with the Russian law. The auditing organization selected following the open tender is approved by the Executive Board, Audit Committee of the Supervisory Board, and Supervisory Board and appointed by the Annual General Meeting of Shareholders of Sberbank.

AO PricewaterhouseCoopers Audit was the auditing organization for Sberbank for 2019 and 2020. In 2020, AO PricewaterhouseCoopers Audit performed the following tasks:

- Audit of the Sberbank's 2020 annual accounting (financial) statements prepared in accordance with the Russian law
- Audit of Sberbank's consolidated financial IFRS statements for 2020
- Reviews of interim condensed consolidated financial statements of Sberbank for 3, 6, and 9 months of 2020 prepared in accordance with IFRS

Payments made by Sberbank Group's companies to the companies of the Sberbank auditor's group

	PAYMENTS, RUB MN, EXCLUDING VAT	
	2019	2020
Audit of annual report (including audit of regular reporting and IFRS statements)	152.6	267.4
Interim audits and reviews	60.0	65.8
Tax consulting services	26.2	20.8
Other non-tax consulting services	178.4	108.8

Remuneration System

REMUNERATION OF THE SUPERVISORY BOARD MEMBERS

Members of the Bank's Supervisory Board are remunerated and compensated for expenses incurred through their participation in the work of the Supervisory Board in accordance with the procedure specified in the Bank's internal document—Regulations on Remuneration and Compensation Paid to Members of the Supervisory Board (hereinafter, the Regulations) approved by the Annual General Meeting of Shareholders of Sberbank on 29 May 2015 (Minutes No. 28 dated 3 June 2015) with amendments approved by the Annual General Meeting of Shareholders of Sberbank on 27 May 2016 (Minutes No. 29 dated 1 June 2016).

The remuneration consists of a basic part paid to a member of the Supervisory Board provided that he or she participated in at least half of the Supervisory Board meetings held in the pay period and additional remuneration for working in Committees, for chairing Committees and performing the duties of the Senior Independent Director, and for chairing the Supervisory Board.



Remuneration to members of the Supervisory Board in 2020

Member	Committee member (Number of committees where the director is the member)	Committee chairman (Number of committees where the director is the chairman)	Senior independent director	Estimated amount of bonus for performing the duties of committee member (gr. 2*20)%	Estimated amount of bonus for performing the duties of committee chairman (gr. 2*20)%	Estimated amount of bonus for performing the duties of a senior independent director (gr. 3*30)%	Amount of basic remuneration, thousand rubles	Amount of premium ¹ , thousand rubles	To be paid, before taxation, thousand rubles
	1	2	3	4	5	6	7	8	9
Esco Tapani Aho	2	-	-	40	-	-	5,900	2,360	8,260
Leonid Boguslavsky	3	-	-	60	-	-	5,900	2,950	8,850
Herman Gref	1	-	-	20	-	-	5,900	1,180	7,080
Bella Zlatkis	-	-	-	-	-	-	5,900	-	5,900
Nikolay Kudryavtsev	2	-	-	40	-	-	5,900	2,360	8,260
Aleksander Kuleshov	2	1	-	40	30	-	5,900	2,950	8,850
Gennady Melikyan	1	2	1	20	60	30	5,900	2,950	8,850
Nadya Christina Wells	2	1	-	40	30	-	5,900	2,950	8,850
Все члены НС							47,200	17,700	64,900

The information on remuneration is given for those members of the Supervisory Board who gave their written consent to receive remuneration. According to the Regulations, members of the Supervisory Board may also be compensated for their special-purpose expenses related to performance of their duties as the Board members.

¹ If a member of the Supervisory Board performs additional duties (including participation in committees, senior board member, chairmanship of committees), additional remuneration is summed up, but cannot exceed 50% of basis remuneration (item 2.4 Statement on remuneration and competences for member of the Supervisory Board)

EXECUTIVE BOARD

According to Sberbank’s policy on remuneration of the Executive Board members, their remuneration depends on the results of the Bank’s operations and each member’s personal contribution to the achievement of such results measured using regular performance assessment tools through a system of balanced performance indicators.

The remuneration structure includes a fixed and a variable component. Variable remuneration directly depends on whether a number of key performance indicators (individual and team, financial and non-financial) have been achieved and exceeded. The basic elements of the variable component of remuneration are quarterly bonuses and a year-end bonus.

In 2015, the Bank also adopted a long-term cash incentive program for key executive staff based on the value of the Bank’s shares. The program was based on the risk-oriented remuneration concept and is fully compliant with the requirements of the Bank of Russia for remuneration payment systems in Russian credit institutions.

The respective liabilities are included in other financial liabilities in the consolidated statement of financial position before the payment is made.

Liabilities for long-term share-based remuneration as at 31 December 2020 amounted to RUB 3.7 billion.

There were no early payments of long-term remuneration upon dismissal in 2020. There were no cases of non-payment or withholding of long-term remuneration due to adjustments based on the risks accepted in 2020. No severance payments were made to members of the Executive Board in 2020.

The program is based on the following parameters:

01

40% of the variable part of the annual remuneration is deferred and paid in the future in three annual payments

02

payments to the program participants depend on the Bank’s positive performance. The long-term remuneration may be adjusted (up to complete cancellation) taking into consideration the responsibility of the employee participating in the long-term remuneration program for making decisions that have led to the realization of risks.

	FIXED REMUNERATION	VARIABLE REMUNERATION	LONG-TERM REMUNERATION
Remuneration paid to the members of the Executive Board in 2020, RUB bn ¹	1.2	2.7	2.1
Total:	RUB 6.0 bn		
Goal	Competitive incentive package to attract and retain highly qualified managers	Achieving personal and team performance indicators	Aligning the interests of the Bank’s management and shareholders; long-term sustainable value growth
Description	Fixed remuneration paid. Includes salaries, vacation payments, business trips compensation. Set based on the professional experience, the role in managing Sber, and the level of remuneration in the labor market	Variable remuneration includes quarterly bonuses and year-end bonuses accrued in 2020. Directly depends on achievement of a number of key performance indicators (individual and team, financial and non-financial)	Remuneration paid in the reporting year
Frequency of payments	Monthly	Quarterly / annually, subject to KPI achievement	Annually if Sber’s performance is positive

¹ Amounts of remuneration for 2020 are in line with Issuer’s Quarterly Report of Sberbank of Russia (under RAS)

Compliance

In order to detect, identify and respond to compliance risks, Sber uses a “Compliance Hotline”, which ensures anonymity and confidentiality of the reported information transmitted through various channels: by phone, through Sber’s website, by e-mail, by postal mail.

Main documents regulating compliance activities:

- Code of Corporate Ethics of Sberbank Group¹ Website:
- Compliance Risk Management Policy of Sberbank of Russia
- Anti-Corruption Policy of Sberbank²
- Conflict of Interest Management Policy of Sberbank Group³
- Sberbank Policy on Combating the Misuse of Insider Information and Market Manipulation⁴
- Sberbank Rules of Making Transactions with Financial Instruments
- List of Insider Information of Sberbank (hereinafter, the List) approved by the Order of the CEO, Chairman of the Executive Board⁵
- Policy on Implementation of the United States Foreign Account Tax Compliance Act (FATCA)
- Sberbank Internal Control Rules for Prevention, Detection, and Suppression of Illegitimate Use of Insider Information and Market Manipulation (approved in 2020)
- Procedure for Disclosing Insider Information of Sberbank not Included in the Standard List of Insider Information Approved by the Bank of Russia (approved in 2020)
- To reveal, identify, and respond to compliance risks, Sber has implemented a Compliance Hotline for anonymous and confidential reporting of information through various channels: telephone, Sber website, e-mail, post.
- Rules of internal control to counteract money laundering, financing of terrorism and proliferation of weapons of mass destruction.

Website:

- [1 sberbank.com/common/img/uploaded/files/pdf/normative_docs/sberbank_code_of_corporate_ethics.pdf](https://sberbank.com/common/img/uploaded/files/pdf/normative_docs/sberbank_code_of_corporate_ethics.pdf)
- [2 sberbank.com/common/img/uploaded/files/harmony_society/anticorruptionpolicyrus.pdf](https://sberbank.com/common/img/uploaded/files/harmony_society/anticorruptionpolicyrus.pdf)
- [3 sberbank.com/common/img/uploaded/files/pdf/normative_docs/conflict_of_interest_management_policy.ru.pdf](https://sberbank.com/common/img/uploaded/files/pdf/normative_docs/conflict_of_interest_management_policy.ru.pdf)
- [4 sberbank.com/common/img/uploaded/files/pdf/normative_docs/pd_insiders_info.pdf](https://sberbank.com/common/img/uploaded/files/pdf/normative_docs/pd_insiders_info.pdf)
- [5 sberbank.com/common/img/uploaded/files/pdf/insider_perechen_140218.pdf](https://sberbank.com/common/img/uploaded/files/pdf/insider_perechen_140218.pdf)

COMPLIANCE RISK MANAGEMENT IN 2020

The COVID situation did not affect the results of compliance control in Sber and all relevant procedures were performed in a timely manner.

Sber confirmed that its compliance management system conforms to international standards ISO/IEC 19600:2014 “Compliance function management” and ISO/IEC 37001:2016 “Anti-bribery management systems”.

About 200 checks were performed in accordance with the approved work plans, including subject-matter checks for compliance with Russian securities laws, and monitoring investigations to identify cases of pseudo-trust management of clients’ assets and combat the misuse of insider information and market manipulation.

More than 280,000 employees were trained in compliance. Awareness-raising campaigns (digests, screensavers, posters, videos) to promote compliance were conducted.

In 2020, Sber continued to introduce machine learning tools into compliance processes and use artificial intelligence for big data processing. A chatbot is actively used to advise Sber’s employees on compliance issues.

Ongoing compliance activities included anti-corruption expert assessment of internal regulations, conflict of interest checks on employees and divisions, and cooperation with state control bodies and law enforcement agencies to combat corruption and manage conflicts of interest.

Compliance risk fines and non-financial sanctions

	2016	2017	2018	2019	2020
Total significant compliance risk management fines, ‘000 RUB	1,450	450	8,200	1,000	300
Number of compliance risk management litigations against the Bank	13	0	0	0	0

COMPLIANCE TRAINING

Sber has developed training materials summarizing the main requirements of laws and internal regulations for each area of compliance.

The target audience for each training course is determined based on employees' job duties, while a number of compliance courses are mandatory for all employees of the Bank.

All new employees of Sber learn about the main provisions of the Code of Corporate Ethics as part of their compliance induction course.

The Compliance Department has developed short educational videos with ethical dilemmas that employees need to solve based on the values set forth in the Code.

Training events in 2020

- “Combating Corruption” advanced training program attended by more than 4,300 employees whose job or functional duties include fighting corruption
- “Combating Corruption and Managing Conflicts of Interest” intra-bank course attended by 114,000 employees
- An online training course on misuse of insider information for employees categorized as insiders. More than 17,000 employees were trained in 2020
- “Compliance” professional development program for the Bank’s middle and line management attended by more than 3,900 employees. The program has been successfully certified by EFMD EOCCS (European Foundation for Management Development Online Course Certification System)
- “Introduction to Compliance for Top Executives” and “Introductory Course in Compliance Risk Management for New Employees” e-courses where 14 senior managers and more than 24,700 employees were trained
- Two in-person training sessions on protection of insider information for employees of the Finance Block and the IT Department of the Corporate and Investment Block. About 400 people were trained
- An in-person session entitled “Compliance Risk Management. Practical Issues” for members of Sber’s Supervisory Board. The session focused on the main issues of compliance with anti-corruption laws and conflict of interest control

During 2020, Sber conducted large-scale awareness-raising campaigns for all employees on compliance with the Code of Corporate Ethics and the rules on gifts, use of the Compliance Hotline, conflicts of interest control, and the Bank’s automated compliance services (in the form of screensavers, posters, and news digests). An online information resource—the Compliance Community—was created. The Bank’s employees can find here the most up-to-date news and materials on compliance issues, ask questions, and receive expert answers.

Sber encourages its partners, counterparties, and clients to adhere to its ethical standards and takes into account the provisions of the Code when assessing and promoting employees.

If there are relevant legal grounds, employees who fail to comply with the Code may be subject to disciplinary action in accordance with labor laws. Non-compliance with legislative requirements related to combating corruption, misuse of insider information, violation of bank secrecy and other requirements entails liability including criminal liability.

95%

of Sber’s target audience successfully completed compliance training.

COMPLIANCE FUNCTION CHECKS:

In 2020, the control procedures of the Bank of Russia on anti-money laundering and combating the financing of terrorism (AML/CFT) were performed through supervisory inquiries.

The internal control system in the reporting period was audited for AML/CFT purposes by PricewaterhouseCoopers Audit JSC and by Sber's internal audit service as part of regular monitoring.

Sber responds promptly to all recommendations of the regulator and inspection authorities and continuously improves its internal control system, focusing on modern technological approaches to identifying transactions and client risk assessment models.

The Compliance Hotline

The Compliance Hotline is a tool for reporting violations of anti-corruption, insider information protection and other areas of compliance. The hotline is available 24 hours a day, seven days a week. Both Sberbank employees and customers, counterparties and third parties can contact the hotline.

Incoming calls are handled by authorized compliance officers; if necessary, representatives of other divisions get involved in the investigation.



Confirmed cases of corruption at Sber and actions taken

	2016	2017	2018	2019	2020
Total number of confirmed cases of corruption	70	41	36	28	50
Total number of employees subject to disciplinary action for corruption	25	26	30	25	44
Total number of employees dismissed for corruption	21	19	27	25	37
Total number of corruption proceedings initiated against Sber or its employees	0	2	0	0	0

PARTICIPATION IN PROFESSIONAL ASSOCIATIONS

Sber is actively involved in the work of professional associations and shares information on compliance issues with the following organizations:

- Compliance Council of the Federal Financial Monitoring Service
- International Training and Methodology Centre for Financial Monitoring
- Compliance Risk and AML/CFT Committee of the Association “Russia”
- Expert panel on AML/CFT and compliance risks of the Budget and Financial Markets Committee at the Federation Council of the Federal Assembly of the Russian Federation
- National Association of Stock Market Participants (NAUFOR)
- National Fund Association (NFA)
- Working group for the KYC Platform project of the Fintech Association for lending organizations

The following topics were discussed at their meetings in 2020: pressing issues of anti-money laundering, combating the financing of terrorism, and proliferation of weapons of mass destruction, including changes in relevant laws and regulations, expert analysis of initiatives to improve compliance procedures, and issues related to implementation of special economic measures.

COMPLIANCE DEVELOPMENT PLANS FOR 2021

01

Improve the methodological base on anti-corruption issues, rules on gifts and conflicts of interest control

02

Conduct subject-matter checks of Sber’s divisions and processes exposed to corruption risks and the risk of conflicts of interest

03

Implement an automated system for handling employee reports on potential conflicts of interest for full-scale use

04

Upgrade the anti-market manipulation system and implement an automated system to control the best execution of client orders by brokers

05

Protect insider information in the Bank’s target automated systems

06

Update training programs, including “Combating Corruption” and “Compliance”, by introducing new business game elements and adaptive testing

07

Run compliance training courses for Sber’s target audience on combating corruption and protecting insider information

08

Develop awareness of the compliance function for Sber’s external and internal counterparties

09

Participate in compliance-related professional associations

Share Capital

SHARE CAPITAL STRUCTURE

Sberbank has been operating on the Russian financial market as a joint stock company since 1991. In this period, 13 share issues have taken place with Russian and foreign investors being the shareholders. The charter capital of the bank is RUB 67.8¹ bn and includes common and preferred shares. In 2019, the size of the bank's charter capital did not change.

The total number of Sberbank shareholders as of 31 August 2020 (the record date) was 616,000, including 608,200 private individuals and 7,800 legal entities. The shares in the Sberbank's charter capital are divided between the Russia Federation (represented by the Russian Ministry of Finance) as a strategic investor, legal entities and private investors.

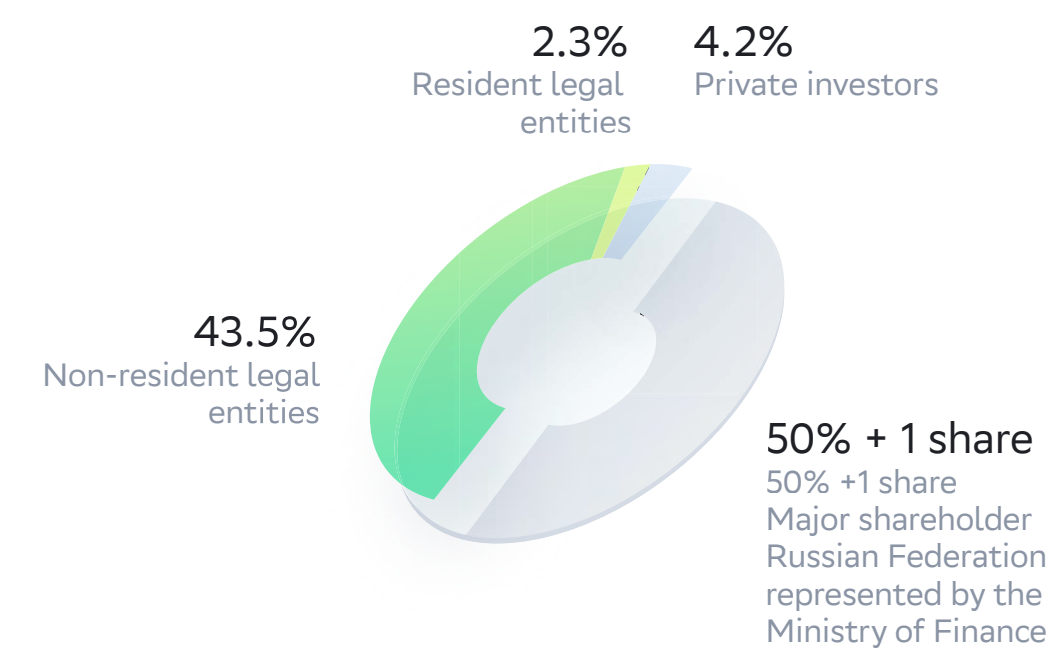
Share capital structure with a breakdown by shareholder types as at the record date²

	2016	2017	2018	2019	2020	CHANGE 2020/2019
Strategic investor (Bank of Russia)	50.0% + 1 share	50.0% + 1 share	50.0% + 1 share	50.0% + 1 share	–	–50,0% + 1 share
Strategic investor (Russian Federation represented by the Russian Ministry of Finance)					50,0% + 1 share	+50,0% + 1 share
Non-resident legal entities	45.6%	45.4%	45.6%	45.0%	43.5%	–1.5 p.p.
Resident legal entities	1.5%	1.9%	1.5%	1.8%	2.3%	+0.5 p.p.
Private investors	2.9%	2.7%	2.8%	3.2%	4.2%	+1.1 p.p.

Share capital structure with a breakdown by share types as of 31 December 2020

TYPE OF SHARES	STATE REGISTRATION NUMBER OF THE SHARE ISSUE	NOMINAL VALUE	NUMBER OF ISSUED SHARES
Common shares	10301481B	RUB 3	21 586 948 000
Preferred shares	20301481B	RUB 3	1 000 000 000
The size of the charter capital is RUB 67,760,844,000			

Share capital structure with a breakdown by shareholder types as at the record date (31 August 2020)



Sberbank does not possess further information about the existence of shareholdings exceeding 5%, apart from those already disclosed. There is also no information on any shareholders potentially or actually getting control that would be disproportionate to their stake in Sberbank's charter capital.

¹ For IFRS reporting purposes, the charter capital was inflated in accordance with IAS 29

² The date of preparation of the list of persons entitled to take part in the Annual General Meeting of Shareholders (2020: 31 August 2020)

INFORMATION ON SECURITIES

Currently, Sber is a public company whose securities are traded on the Moscow, London and Frankfurt exchanges, as well as on the US OTC market. Sberbank is the issuer of various types of securities.

The bank's common and preferred shares are included in the quotation list of the first (top) level by the Moscow Stock Exchange.

Sber's securities continued to rally at the start of 2020, however, at the end of Q1, with the global economy experiencing two shocks simultaneously—the COVID-19 epidemic and a sharp decline in oil prices—significant sell-offs were seen in the world's stock markets. The Russian market lost about 30% (MOEX Russia Index) as trading volumes increased.

Concurrently with the gradual removal of restrictive measures from mid-May, the markets also began to recover, which lasted until mid-August. At that time, the quotes of the MOEX Russia Index and Sber shares returned to the levels of mid-December 2019. However, further growth stalled amid a worsening geopolitical situation, as well as an increase in the number of cases of coronavirus infection in Russia and around the world, raising the risks of repeated restrictive measures. At the end of Q3, record dividends for 2019 boosted the performance of Sber's shares (the dividend amounted to RUB1 8.7 per share, the cut-off date was 5 October).

Since the beginning of November, global markets have seen a strong recovery in demand for risk assets driven by data on the effectiveness of coronavirus vaccines, as well as resolved political uncertainty in the United States. As a result, Sber's shares were re-rated first on expectations from and then based on the results of the Investor Day where the Group's Development Strategy 2023 was presented. During this period, Sber's securities rose 40% in value hitting a historic high and continuing the rally in early 2021.

Sber's shares remain on the list of top priority securities for investments: out of 16 analysts providing coverage for Sberbank, 14 recommended buying the bank's securities and two holding them as at 31 December 2020.

18.7 RUB

DPS out of 2019 profit

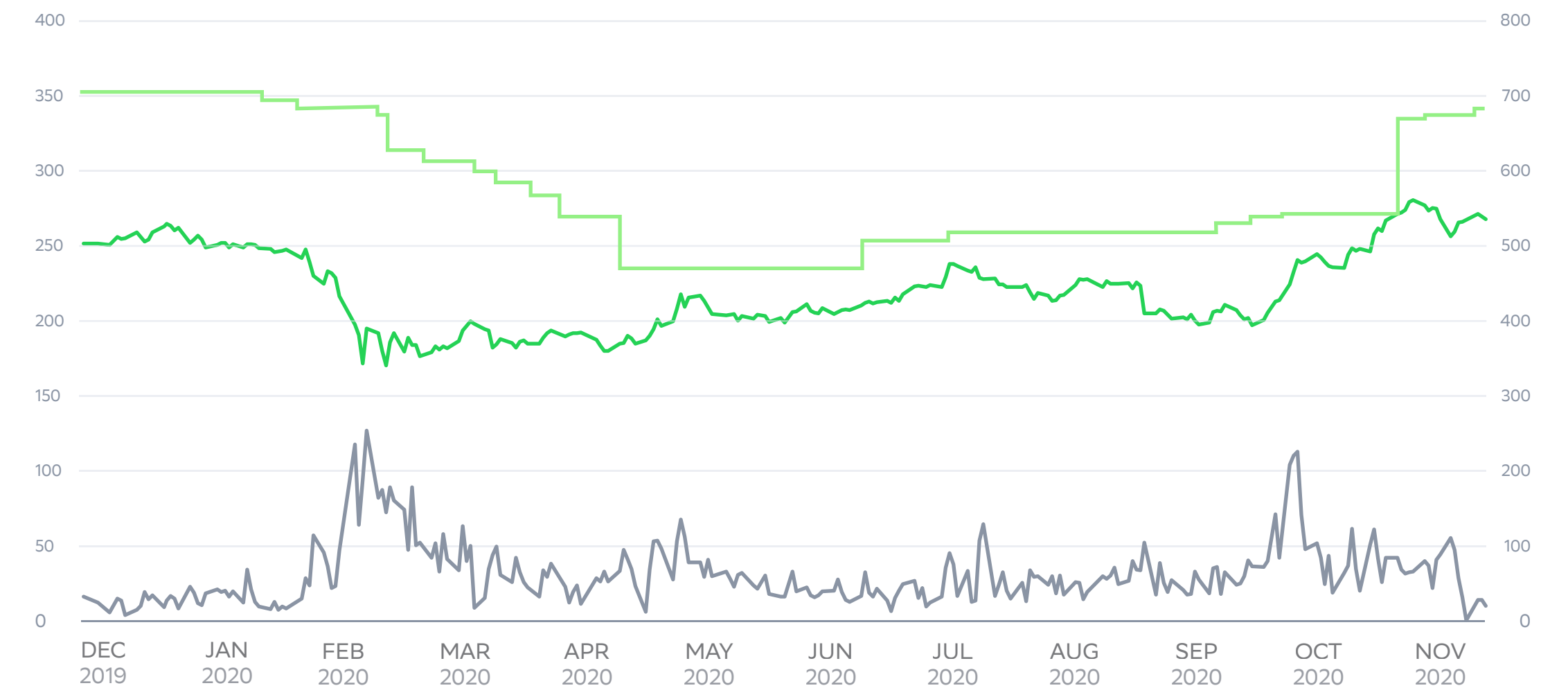
The full list of analysts, their recommendations and target prices for Sberbank shares can be found on the bank's website: sberbank.com/ru/investor-relations/share-profile/analyst_coverage

Analyst recommendations as at 31 December 2020, %



Sber shares remain one of the most liquid assets in the Russian market. The volume of trading in common and preferred shares on the Moscow Exchange exceeded RUB4.5 trn in 2020, a yoy increase of 56%, accounting for more than 20% of all trading on the stock exchange.

Sber share performance and volumes of trading in 2020



■ Target price dynamics (left vertical axis, RUB)

■ Performance of Sberbank's common shares (left vertical axis, RUB)

■ Performance of Sberbank's and trading volumes in 2020 (right vertical axis, RUB bn)

AMERICAN DEPOSITARY RECEIPTS

American Depositary Receipts (ADR) for common shares of Sberbank are quoted on the London and Frankfurt stock exchanges and has been accepted for trading on the U.S. OTC market since June 2011.

JPMorgan Chase Bank, N.A. is the depository bank for depository receipts of Sberbank. One American depository receipt is equivalent to four common shares of the bank.

Performance of Sberbank's ADRs in 2020, \$



CREDIT RATINGS

In 2020, the bank's long-term and short-term ratings assigned by the international rating agencies Moody's and Fitch Ratings remained unchanged. The ratings by international rating agencies are capped by the country rating.

Also, in the reporting year, Analytical Credit Rating Agency (ACRA) confirmed Sberbank's AAA(RU) rating.

The high ratings given by the agencies are explained by the bank's systemic importance to the Russian economy and high level of its creditworthiness.

Sberbank credit ratings dynamics

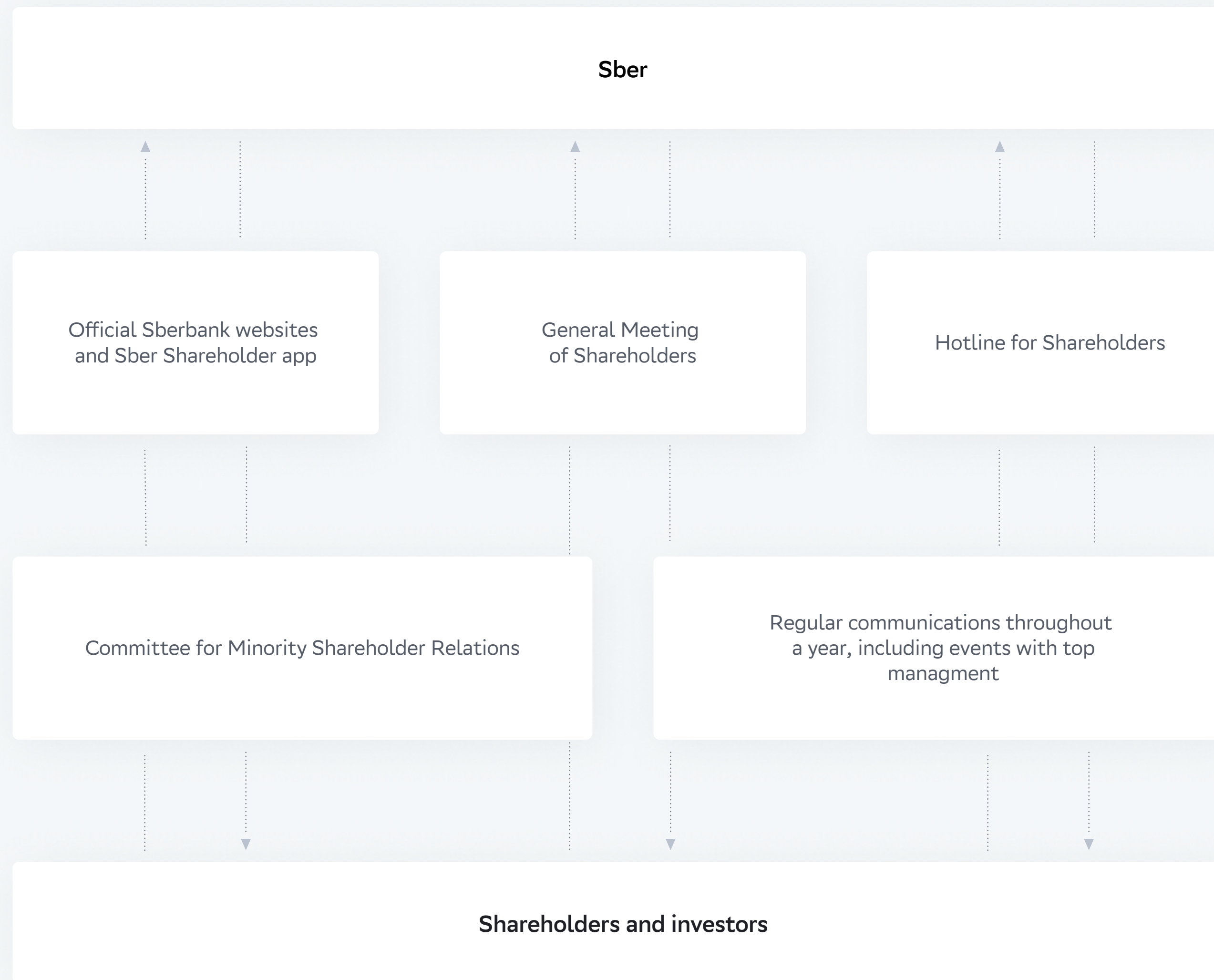
	2016	2017	2018	2019	2020
Fitch Ratings					
Long-term, foreign currency	BBB-	BBB-	BBB-	BBB	BBB
Long-term, rubles	BBB-	BBB-	BBB-	BBB	BBB
Outlook	Stable	Positive	Positive	Stable	Stable
Moody's					
Long-term, foreign currency	Ba2	Ba2	Ba2	Baa3	Baa3
Прогноз	Negative	Stable	Stable	Stable	Stable
Long-term, rubles	Ba1	Ba1	Ba1	Baa3	Baa3
Outlook	Negative	Stable	Positive	Stable	Stable
AKPA					
Credit rating on the national scale	-	AAA (RU)	AAA (RU)	AAA (RU)	AAA (RU)
Outlook		Stable	Stable	Stable	Stable

Investor and Shareholder Relations

Sber has an investor and shareholder relations system, which is designed to maintain information transparency and investment attractiveness of the bank's Group's. Investors and shareholders can use any of the communication channels available to them.

We continue to focus on the development and implementation of new technologies in the process of communications with shareholders and investors in order to increase its efficiency, accessibility and convenience.

KEY CHANNELS OF COMMUNICATION WITH INVESTORS AND SHAREHOLDERS



DIVIDEND PAYMENTS

The mechanism for making a decision on the payment of dividends, determining the amount, procedure and timing of their payment is set out in the Dividend Policy.

The Supervisory Board of Sberbank considers and approves the Dividend Policy for the medium term, valid for at least three years, depending on external and internal economic factors affecting business development.

At the end of 2020, the Supervisory Board approved and introduced a new version of the Dividend Policy taking into account the provisions of Sberbank's Development Strategy 2023. This document reflects the bank's intention to maintain the share of dividend payments at the level of 50% of IFRS net profit of Sberbank Group if certain conditions affecting the size of the dividend are met (including those regarding maintaining the required capital adequacy ratios, maintaining the target level of the Group's IFRS Common Equity Tier 1 adequacy at least at 12.5% with a maximum premium of 1.0% for the bank's systemic importance set by the Bank of Russia).

Conditions affecting the amount of Sberbank's dividends

-  Presence and size of net profit determined on the basis of consolidated financial statements of the bank and its subsidiaries in accordance with IFRS
-  Capital required for the implementation of the bank's Development Strategy
-  Maintaining the target level of the Group's IFRS Common Equity Tier 1 adequacy, including a maximum premium of 1.0% for the bank's systemic importance set by the Bank of Russia, over the medium-term horizon
-  Economic conditions, other internal and external changes having or potentially having a significant negative impact on the bank's future operations
-  Maintaining the balance of interests of the bank and its shareholders, given the need to increase investment appeal and respect the rights of the bank's shareholders

The Annual General Meeting of Shareholders of Sberbank on 25 September 2020 approved record dividends for 2019 of RUB18.7 per common and preferred share. In total, RUB422.4 bn was allocated for the payment of dividends on all shares of all categories, or 50% of the net profit for the last reporting period.

History of dividend payments

YEAR OF PAYMENT	2016	2017	2018	2019	2020
For the year	2015	2016	2017	2018	2019
Common shares, RUB per share	1.97	6.0	12.0	16.0	18.70
Par value of common share, RUB	3	3	3	3	3
Preferred shares, RUB per share	1.97	6.0	12.0	16.0	18.70
Par value of preferred share, RUB	3	3	3	3	3
Dividend payout ratio, % of IFRS net profit	20.0	25.0	36.2	43.5	50.0

RESULTS OF IR ACTIVITIES

2020 was a challenge for IR. Deterioration of environment required anti-crisis communication, while traditional communication channels were not available. Notwithstanding these difficulties, Sber IR team adjusted to digital formats of communication and ensured trustful relationship with investors.

In 2020, Sber's investor base expanded with while the share of the investing dividend funds on the rise; we also saw the increased interest from funds focused on responsible investments (ESG) and investing in the technology sector.

Due to the 2020 pandemic, investor relations were digitalized making possible to maintain the high quality of our communications.



In 2020, we launched the Sberbank Shareholder mobile app expanding the opportunities for shareholders to receive the up-to-date information on Sber.

Institutional Investor

Emerging EMEA Executive Team 2020, Financials

Most honored company

★ #1 Best IR program

★ #1 Best IR team

★ #1 Best IR professional
Anastasia Belyanina

★ #1 Best CFO
Alexander Morozov

★ #1 Best ESG metrics

★ #1 Best Investor day
Analyst Day 2019

25

investor conferences

>300

meetings

5

meetings of the Committee for Minority Shareholder Relations

Committee for Minority Shareholder Relations

An advisory body established to maintain constructive and effective relations with Sberbank minority shareholders and to increase the Bank's investment attractiveness. With its activities, the Committee serves to help protecting the rights and legitimate interests of the participating shareholders through comprehensive assistance in exercising those rights and interests.

In 2020, the Committee met 5 times; 4 of those meetings were held as digital conferences, which enabled Sber to maintain effective communications with our minority shareholders amid the pandemic. At the end of 2020, the Committee organized the traditional annual meeting with a senior independent member of the Supervisory Board; this time, it was Gennady Melikyan, Deputy Chairman of the Supervisory Board.

The Statute of Committee for Minority Shareholder Relations is available at <https://sberminor.ru/statute/>

From April to September 2020, in order to receive feedback from Sber shareholders and study their opinion on the level of satisfaction with the exercise of their rights, an online survey of shareholders was organized on the Group's website, in the Sber Shareholder mobile app and by sending SMS messages. A total of 9,609 shareholders and investors took part in the survey. The survey results and detailed respondents' comments were analysed by the Minority Shareholders' Committee jointly with the Corporate Secretary Corporate Secretary Service and the Investor Relations Center.

A total of 9,609 shareholders and investors took part in the survey. The survey results and detailed respondents' comments were analysed by the Minority Shareholders' Committee jointly with the Corporate Secretary Corporate Secretary Service and the Investor Relations Center.

The results of the survey showed that over 83% of the respondents were fully satisfaction with the level of implementation of their rights of access to information about Sberbank's activities, and over 88% support the dividend policy. In addition, over 80% support Uber's strategy, that it will go beyond the traditional banking business and building a digital ecosystem to meet customer needs.

For more details of the survey proceed to Shareholder book via the link: https://www.sberbank.com/common/img/uploaded/com/shareholder_book.pdf

RESULTS OF IR ACTIVITIES

Investor Day



On November 30th–December 1st 2020, Sber held Investor Day where top management of the Group presented Sber 2023 Development strategy with insights on business development, staff potential, financial analysis, technologies, integrates Sber ecosystem, shared 2021 guidance and had Q&A session.

Due to COVID-19 restrictions, the Investor Day has been held for the first time ever in a digital format with IR/VR features and set a new market standard for similar corporate events. The number of participants including TV and YouTube streaming totaled 1.3million people.

Investor Day results

12

Speakers from Sber top-management

>6

Hours of presentations and Q&A

1.3 MN

Total audience including TV and YouTube viewers



Major Transactions

During 2020, PJSC Sberbank did not make any transactions recognized in accordance with the Federal Law "On Joint Stock Companies" as major transactions, as well as other transactions that, pursuant to the Charter of Sberbank, are subject to the procedure for approving major transactions.

Related-Party Transactions

During 2020, Sberbank carried out 13 transactions deemed related-party transactions in line with the Federal Law On Joint-Stock Companies.

The full list of the transactions and the basic information about them are available in the appendix, [Report on Sberbank's Related-Party Transactions Made in 2020](#).

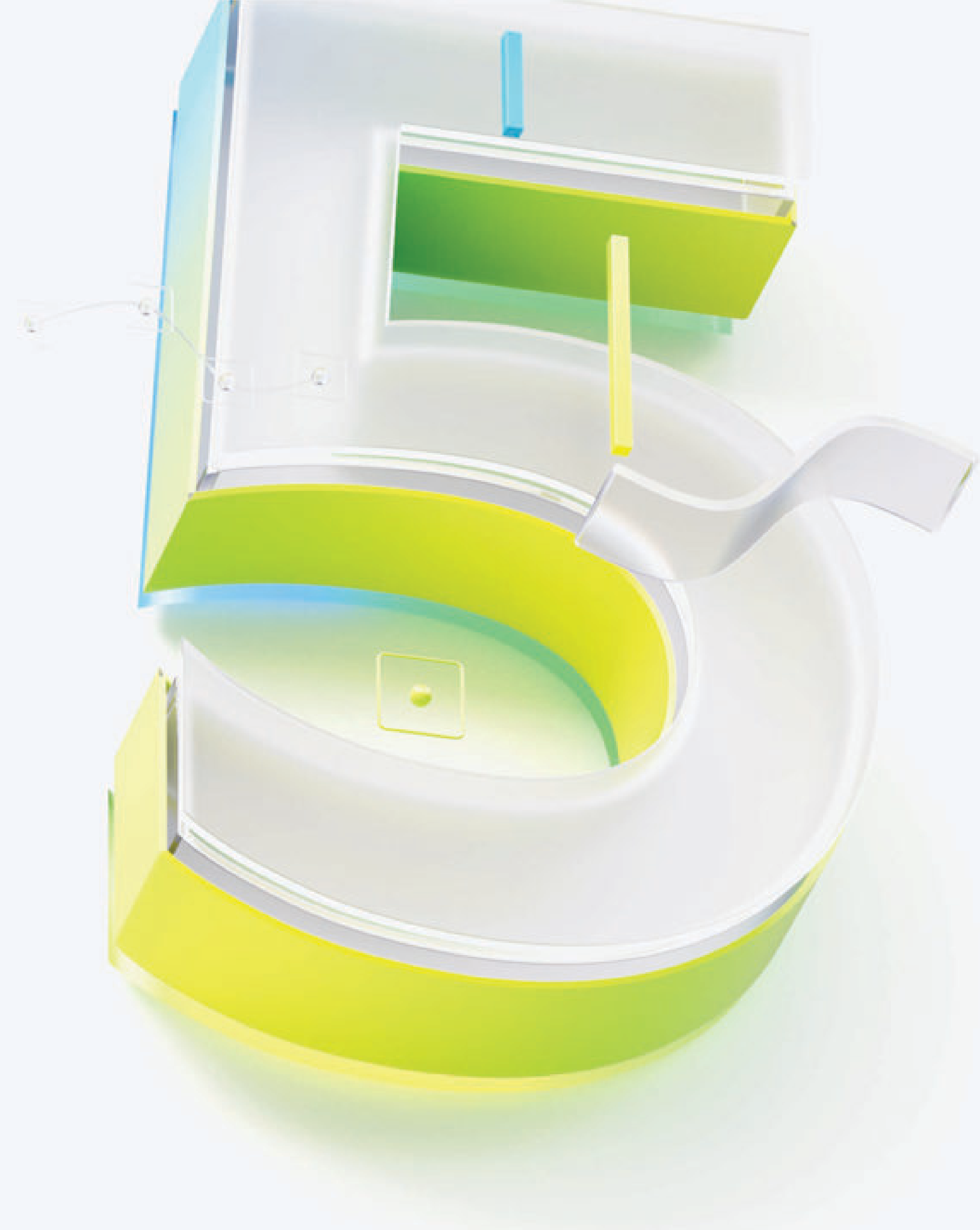
Financial Results

145 Dynamics of Major Performance Indicators of Sber under IFRS for Five Years

147 Analysis of the Statement of Profit and Loss

154 Analysis of the Assets Structure

157 Analysis of the Liabilities and Equity of the Group



Dynamics of Major Performance Indicators of Sber under IFRS for Five Years

For the year, RUB bn

	2020	2019	Δ, %	2018	2017 ¹	2016 ²
Operating income before credit loss allowance charge and revaluation of loans at fair value due to change in credit quality from continuing operations	2,193.0	2,022.2	8.4	1,865.3	1,796.4	1,703.8
Credit loss allowance charge for debt financial assets	(412.0)	(92.6)	344.9	(96.8)	(263.8)	(342.4)
Operating income	1,702.1	1,863.3	-8.7	1,703.8	1,526.5	1,355.1
Staff and administrative expenses	(759.8)	(724.6)	4.9	(657.6)	(623.4)	(677.6)
Profit before tax	942.3	1,138.7	-17.2	1,046.2	903.1	677.5
Net profit	760.3	845.0	-10.0	831.7	748.7	541.9
Profit from continuing operations	751.8	914.8	-17.8	831.2	715.6	-

¹ disclosed under IAS 39

² disclosed under IAS 39, DenizBank consolidated (on 31 July 2019 the Group closed the deal on disposal of DenizBank, the former subsidiary bank operating in Turkey)

³ as of 01.01.2018, disclosed under IFRS 9

As of the date, RUB bn

	31.12.2020	31.12.2019	Δ, %	31.12.2018	1.01.2018 ³	31.12.2016 ²
Loans and advances to customers, net	23,386	20,364	14.8	19,585	16,663	17,361
Loans and advances to customers before provision for loan impairment	25,009	21,749	15.0	21,082	18,096	18,665
Total assets	36,016	29,960	20.2	31,198	27,045	25,369
Due to individuals and corporate customers	25,766	21,574	19.4	20,897	18,123	18,685
Total liabilities	30,970	25,473	21.6	27,342	23,678	22,547
Total equity	5,047	4,487	12.5	3,856	3,367	2,822

	2020	2019	Δ, %	2018	2017 ¹	2016 ²
PER SHARE (RUB PER SHARE)						
Basic and diluted earnings per ordinary share	34.36	38.55	-10.9	38.16	34.58	25.00
Basic and diluted earnings from continuing operations per ordinary share	33.96	41.80	-18.7	38.13	33.04	-
Net assets per ordinary share	234.72	208.7	12.5	179.3	156.6 ³	131.2
FINANCIAL RATIOS (%)						
Profitability ratios						
Return on assets (ROA)	2.3	3.1	-0.8 p.p.	3.2	2.7	2.1
Return on equity (ROE)	16.1	20.5	-4.4 p.p.	23.1	24.2 ²	20.8
Net interest margin (net interest income to average earning assets) - based on methodology applied from 2019 ⁴	5.5	5.4	0.1 p.p.	5.9	6 ²	5.7
Operating expenses to operating income before allowances (CIR)	34.6	35.8	-1.2 p.p.	35.2	34.7	39.7
Net loans and advances to customers to current accounts and term deposits of individuals and corporate customers and savings certificates (net loans-to-deposits ratio)	90.7	94.2	-3.5 p.p.	93.1	90.1 ³	90.6

	31.12.2020	31.12.2019	Δ, %	31.12.2018	01.01.2018 ³	31.12.2016 ²
Capital adequacy ratios (%)						
Common equity Tier 1 capital adequacy ratio (Basel 3.5 / Basel 3) ⁵	13.8	14.5	-0.7 p.p.	11.8	11.2	10.2
Total capital adequacy ratio (Tier I and Tier II) (Basel 3.5 / Basel 3) ⁵	14.7	14.8	-0.1 p.p.	12.4	12.8	12
Leverage ⁵	12.9	13.9	-1.0 p.p.	11.3	11.3	0
Equity to total assets	14.0	15.0	-1.0 p.p.	12.4	12.4	11.1
Asset quality ratios						
Non-performing loans to total loans outstanding (NPL ratio)	4.3	4.3	-	3.8	4.5	4.4
Share of Stage 3 and POCI loans in total loans at amortized cost	6.6	7.5	-0.9 p.p.	8.1	8.8 ⁶	-
Credit loss allowance to total gross loans to customers at amortized cost	6.8	6.7	0.1 p.p.	7.3	7.8	7.0

¹ disclosed under IAS 39

² disclosed under IAS 39, DenizBank consolidated (on 31 July 2019 the Group closed the deal on disposal of DenizBank, the former subsidiary bank operating in Turkey)

³ as at 1 January 2018, disclosed under IFRS 9

⁴ starting from 2019 the denominator for calculating NIM was clarified adjusting the volume of Stage 3 loans to the amount of provisions created against them; in calculation of NIM for 2017 and 2016 methodology used before 2019 is applied

⁵ 2020 and 2019 figures are calculated according to the requirements of Basel 3.5

⁶ Denizbank consolidated

Analysis of the Statement of Profit and Loss

GENERAL TRENDS

The net profit of Sber Group under IFRS in 2020 comprised RUB 760.3 billion, which is 10.0% lower than in 2019. The Group's operating income from continuing operations before credit loss allowance charge for debt financial assets and credit related commitments and revaluation of loans at fair value due to changes in credit quality in 2020 increased by 8.4% to RUB 2,193.0 billion, primarily due to net interest income and net fee and commission income.

In 2020, net credit loss allowance charge for debt financial assets increased by 344.9% to RUB 412.0 billion against RUB 92.6 billion in 2019. Staff and administrative expenses growth slowed down in 2020 and comprised 4.9% y-o-y.

RUB BN	2019	2020	Δ, %
Profit for the year	845.0	760.3	-10.0
Profit from continuing operations	914.8	751.8	-17.8
Operating income before credit loss allowance charge, including charge for credit related commitments and revaluation of loans at fair value due to change in credit quality	2,022.2	2,193.0	8.4
Staff and administrative expenses	-724.6	-759.8	4.9
Credit loss allowance charge for debt financial assets	-92.6	-412	344.9

NET INTEREST INCOME

RUB BN	2019	2020	Δ, %
Net interest income	1,415.5	1,608.2	13.6
Interest income	2,396.0	2,399.3	0.1
Interest expenses (including deposit insurance expenses)	-980.5	-791.1	-19.3

The Group's net interest income increased by 13.6% in 2020 to RUB 1,608.2 billion. Interest income of the Group remained almost the same as for 2019. Mostly this trend was caused by the decrease in yield on corporate loans from 7.8% in 4Q 2019 to 6.3% in 4Q 2020. However decrease in yield was compensated by the growth in volumes of loan portfolio. At the same time the increase in interest income on loans to individuals comprised 12.6%, backed by the growth in volumes of retail lending (by 18.1% in 2020).

Interest expenses including deposit insurance expenses decreased by 19.3% in 2020 compared to 2019 and comprised RUB 791.1 billion. This decrease was supported by the decrease in cost of interest-bearing liabilities during 2020 on the back of market interest rates descending dynamics as well as by the effect of reduction in deposit insurance contributions. Thus, the cost of retail term deposits decreased from 5.1% in 4Q 2019 to 3.7% in 4Q 2020. At the same time interest expenses on amounts due to individuals which are the key source of financing for the Group, continues to be the main component of total interest expenses. The share of these expenses comprised 59.6% in the total amount of interest expenses compared to 58.0% for 2019. Cost of corporate term deposits was also decreasing throughout 2020 from 4.3% in 4Q 2019 to 2.7% in 4Q 2020, being the driver for the reduction of interest expenses on amounts due to corporate customers.

Analysis of yield on interest-earning assets

RUB BN	2019			2020		
	AVERAGE AMOUNT FOR THE YEAR	INTEREST INCOME	AVERAGE YIELD, %	AVERAGE AMOUNT FOR THE YEAR	INTEREST INCOME	AVERAGE YIELD, %
Loans to corporate customers ¹	12,852.7	1,114.7	8.7	14,167.4	1,027.5	7.3
Loans to individuals ¹	7,058.5	891.7	12.6	8,144.1	1,004.2	12.3
Correspondent accounts, overnight placements and other placements with banks	2,321.8	108.3	4.7	2,065.3	59.9	2.9
Debt securities	4,085.7	281.3	6.9	5,015.0	307.7	6.1
Total earning assets	26,318.7	2,396.0	9.1	29,391.8	2,399.3	8.2
Credit loss allowance for debt financial assets ²	- 330.8			- 429.4		
Non-earning assets	4,942.6			4,178.6		
Total assets	30,930.5			33,141.0		

Analysis of cost of funds

RUB BN	2019			2020		
	AVERAGE AMOUNT FOR THE YEAR	INTEREST EXPENSES	AVERAGE COST, %	AVERAGE AMOUNT FOR THE YEAR	INTEREST EXPENSES	AVERAGE COST, %
Due to individuals	13,646.5	(568.5)	-4.2	15,240.6	(471.4)	-3.1
Due to corporate customers	8,038.8	(288.6)	-3.6	8,558.5	(196.1)	-2.3
Subordinated debt	649.6	(39.1)	-6.0	597.1	(36.5)	-6.1
Other borrowed funds	40.5	(0.5)	-1.2	30.9	(0.6)	-1.9
Debt securities in issue	724.4	(43.4)	-6.0	821.2	(49.1)	-6.0
Due to banks	728.1	(40.4)	-5.5	905.3	(37.4)	-4.1
Total	23,827.9	(980.5)	-4.1	26,153.6	(791.1)	-3.0
Non-interest-bearing liabilities	2,986.2			2,226.7		
Total liabilities	26,814.1			28,380.3		

¹ adjusted for the amount of provisions created against Stage 3 loans

² Stage 1 and Stage 2 loans are taken into calculation

Factor analysis of change in the net interest income

RUB BN	CHANGES IN VOLUME	CHANGES IN RATES	CHANGE IN INTEREST INCOME/EXPENSES
ASSETS			
Loans to corporate customers ¹	114.0	(201.2)	(87.2)
Loans to individuals ¹	137.1	(24.6)	112.5
Correspondent accounts, overnight placements and other placements with banks	(12.0)	(36.4)	(48.4)
Debt securities	64.0	(37.6)	26.4
Change in interest income	303.1	(299.8)	3.3
ОБЯЗАТЕЛЬСТВА			
Due to individuals	(66.4)	163.5	97.1
Due to corporate customers	(18.7)	111.2	92.5
Subordinated debt	3.2	(0.6)	2.6
Other borrowed funds	0.1	(0.2)	(0.1)
Debt securities in issue	(5.8)	0.1	(5.7)
Due to banks	(9.8)	12.8	3.0
Change in interest expenses	(97.4)	286.8	189.4
Change in net interest income	205.7	(13.0)	192.7

¹ расчет с учетом корректировки по кредитам Стадии 3 на сумму резервов, созданных против данных кредитов

Changes in net interest margin in 2020¹

2019 NIM	5.4%
Return on corporate loans	-0.7%
Return on retail loans	-0.1%
Return on amounts due from other banks	-0.1%
Return on securities	-0.1%
Structure of interest earning assets	0.1%
Cost of amounts due to corporate customers	0.4%
Cost of amounts due to individuals	0.6%
2020 NIM	5.5%

Net interest margin amounted to 5.5% in 2020, remaining almost unchanged compared to the previous year (2019: 5.4%). The downward trend for return on interest-earning assets was largely offset by the decrease in cost of interest-bearing liabilities in 2020. Thus, as for interest-earning assets, the largest decline was observed for yield on corporate loans, which led to net interest margin losing 0.7 p.p. since the beginning of 2020. However, this was offset by a decrease in the cost of corporate funds (impact on net interest margin + 0.4 p.p. since the beginning of the year) and a decrease in the cost of funds of individuals (impact on net interest margin + 0.6 p.p. since the beginning of the year).

Return on interest-earning assets declined throughout 2020 due to the reduction of interest rates in the economy, and amounted to 7.6% for the 4Q 2020, a 1.2 p.p. decrease compared to the 4Q 2019 (8.8%). As a whole return on interest-earning assets decreased from 8.7% for 2019 to 7.8% for 2020. As for the cost of interest-bearing liabilities, a downward trend during 2020 was also observed, which slowed down slightly in the 4th quarter, and as a result, the cost of interest-bearing liabilities decreased by 1.1 p.p. from 3.9% for the 4Q 2019 to 2.8% for 4Q 2020. As a whole the cost of interest-bearing liabilities decreased from 4.1% for 2019 to 3.0% for 2020.

Average customer deposit costs, %

	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Retail term deposits	5.2	5.4	5.3	5.1	4.7	4.1	4.0	3.7
Corporate term deposits	4.4	4.4	4.5	4.3	3.5	3.1	3.0	2.7
Current/settlement accounts	1.2	1.2	1.1	1.0	0.9	0.8	0.7	0.7

¹ the denominator for calculating NIM was clarified adjusting the volume of Stage 3 loans to the amount of provisions created against them

Yield on interest earning assets and cost of funds, quarterly, %

	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Return on interest-earning assets	8.6	8.9	8.7	8.8	8.2	8.0	7.7	7.6
Net interest margin ²	5.3	5.4	5.3	5.5	5.5	5.6	5.5	5.3
Cost of interest-bearing liabilities	4.1	4.3	4.1	3.9	3.4	3.1	2.8	2.8

Average loan yields, %

	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Yield on corporate loans (Q)	8.0	8.6	8.1	7.8	7.2	7.1	6.8	6.3
Yield on retail loans (Q)	12.0	12.2	12.1	12.5	12.1	11.9	11.8	11.6
Total yield on loans (Q)	9.3	9.8	9.5	9.5	8.9	8.9	8.6	8.3

² net interest margin is calculated using methodology 2019: starting from 2019 the denominator for calculating NIM was clarified adjusting the volume of Stage 3 loans to the amount of provisions created against them

FEE AND COMMISSION INCOME AND EXPENSE

In 2020, the commission income of the Group increased by 12.5% to RUB 775.3 billion. Net fee and commission income of the Group increased by 11.0% - to RUB 552.6 billion. The main driver of commission income growth was commission income from cash and settlement transactions with individuals and legal entities. These commissions increased by 13.2% in 2020 to RUB 251.6 billion. Their share in commission income comprised 32.5% (32.3% for 2019). Commission income from acquiring also demonstrated an increase (growth by 9.4% for the year to RUB 312.2 billion). Total commission income from operations with banking cards grew by 8.9% in 2020 and comprised RUB 386.2 billion. The share of this income in the Group's commission income made 49.8% compared to 51.5% for 2019. Growth in commissions on brokerage operations was also observed, for 66.7% y-o-y to RUB 16.0 billion.

RUB BN	2019	2020	Δ	
			RUB BN	%
Operations with banking cards, including:	354.6	386.2	31.6	8.9
- Acquiring, commissions of payment systems and other similar commissions	285.4	312.2	26.8	9.4
- Service fees	63.6	67.3	3.7	5.8
- Other	5.6	6.7	1.1	19.6
Cash and settlements transactions	222.2	251.6	29.4	13.2
Client operations with foreign currencies and precious metals	52.0	57.0	5.0	9.6
Documentary commissions	22.0	27.7	5.7	25.9
Securities and commodities brokerage, custodian and investment banking (including syndications) commissions	9.6	16.0	6.4	66.7
Agent commissions	9.7	14.9	5.2	53.6
Other	18.8	21.9	3.1	16.5
Fee and commission income	688.9	775.3	86.4	12.5
Commission expense on operations with banking cards	(177.2)	(203.2)	(26.0)	14.7
Other commission expense	(13.8)	(19.5)	(5.7)	41.3
Fee and commission expense	(191.0)	(222.7)	(31.7)	16.6
Net fee and commission income	497.9	552.6	54.7	11.0

OTHER OPERATING INCOME/EXPENSES

Other net operating income (less revaluation of loans at fair value due to changes in credit quality) which include net income / expenses from operations with securities, derivative financial instruments, foreign currency, net income / expenses from insurance and pension fund operations, charges for other provisions, allowances and impairment of assets amounted to RUB 35.1 billion in 2020 showing a 64.7% decrease compared to 2019 (RUB 99.4 billion).

The most significant effect on the reduction of other net operating income was due to an increase in net losses arising on initial recognition and modification of financial instruments measured at amortized cost related to restructurings caused by COVID-19 pandemic (RUB 45.7 billion for 2020 compared to RUB 2.4 billion for 2019) as well as impairment of non-financial assets (RUB 23.9 billion for 2020 compared to RUB 1.9 billion for 2019).

CREDIT LOSS ALLOWANCE CHARGE FOR LOANS

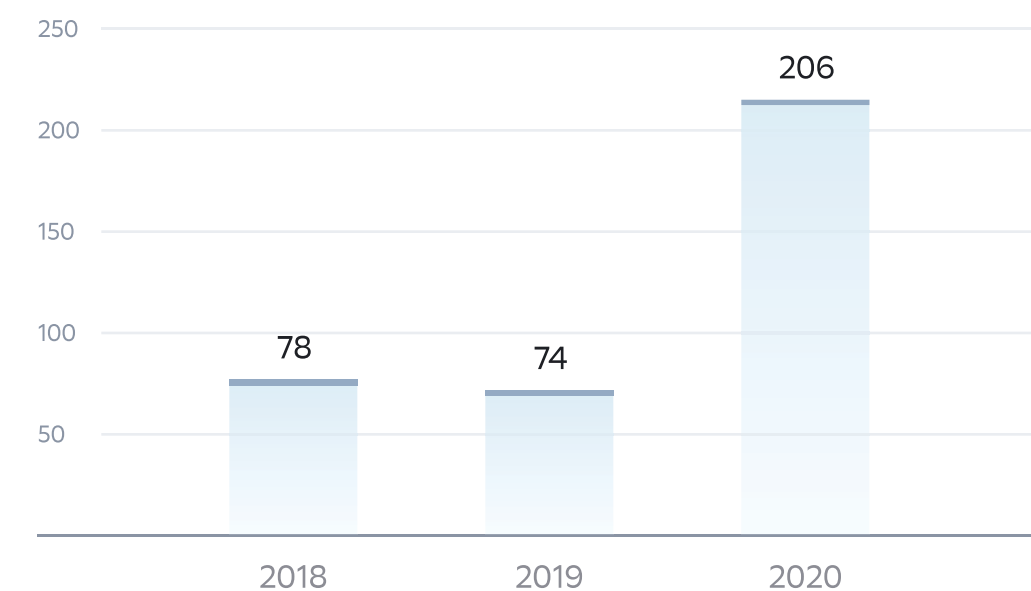
In 2020, the credit loss allowance charge for loan portfolio at amortized cost increased by 307.5% from RUB 98.7 billion in 2019 to RUB 402.2 billion in 2020. The largest contributions to credit loss allowances were observed in the first half of 2020, the period of difficult macroeconomic situation caused by the COVID-19 pandemic. In the second half of 2020, the rate of credit loss allowance charges slowed down due to the gradual recovery of the economy. In accordance with IFRS 9, a part of loan portfolio is accounted for in the financial statements at fair value through profit or loss. Negative revaluation due to change in credit quality for amount of RUB 81.8 billion was recorded for loans at fair value in 2020.

The cost of credit risk based on credit loss allowance against loans at amortized cost increased by 131 b.p. during 2020 from 49 b.p. in 2019 to 180 b.p. in 2020. Taking into account negative revaluation of loans at fair value combined cost of risk increased by 132 b.p. during 2020 from 74 b.p. in 2019 to 206 b.p. in 2020.

	2019				2020			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
Credit loss allowance charge for loans at amortized cost(rub bln)	22.1	7.7	31.8	37.1	134.6	123.1	62.5	82
Cost of risk (based on credit loss allowance for loans at amortized cost) (quarterly) (bp)	44	15	63	72	251	224	111	139
Negative revaluation of loans at fair value due to change in credit quality (rub bln)	28.2	-0.4	23.4	5.7	29.1	6.4	22.4	23.9
Combined cost of risk (including revaluation of loans at fair value) (quarterly) (bp)	96	14	106	80	292	225	143	171

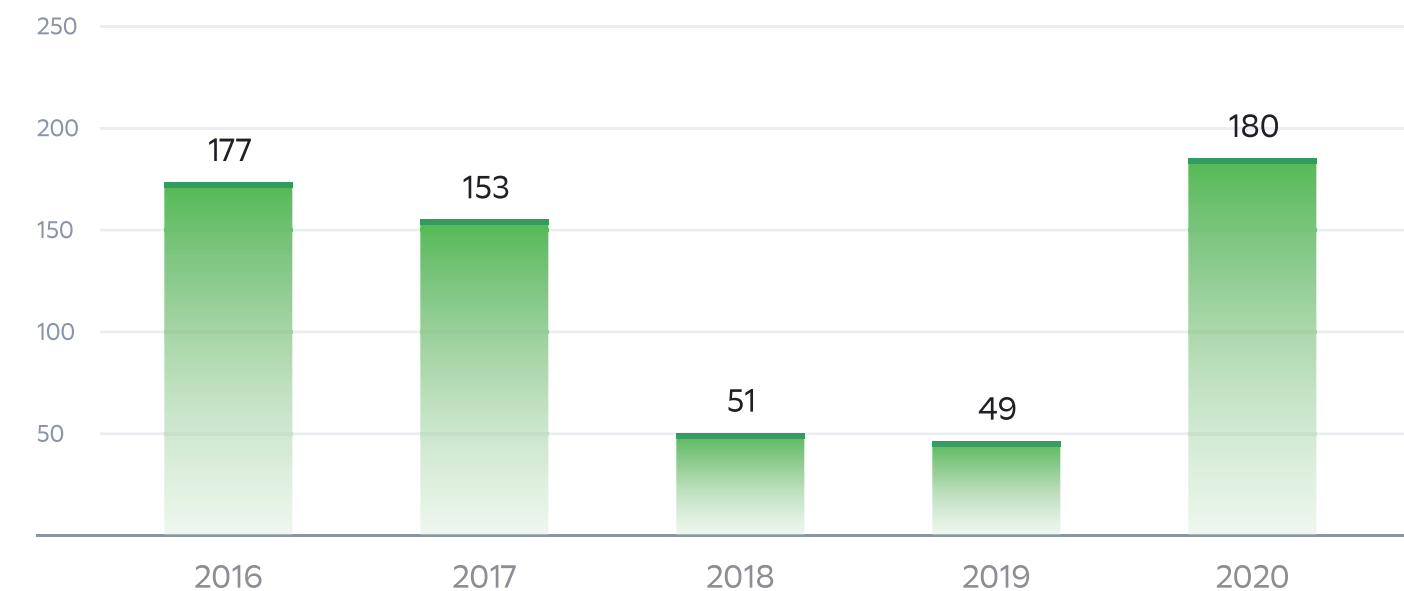
Combined cost of risk

(including revaluation of loans at fair value) (annual figures) (bp)



Cost of risk

(based on credit loss allowance against loans at amortized cost) (annual figures) (bp)



STAFF AND ADMINISTRATIVE EXPENSES

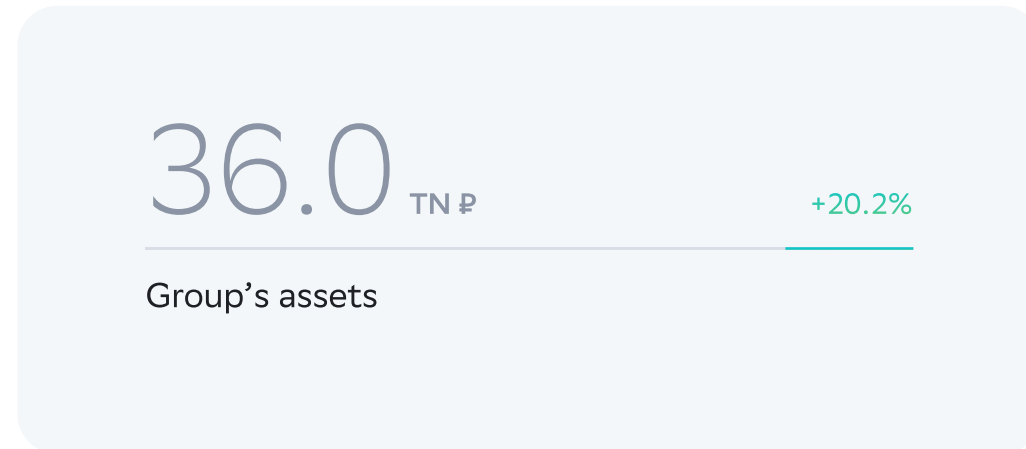
In 2020, a moderate growth in the Group's staff and administrative expenses was observed, facilitated by the launched in 2020 efficiency enhancement program in the COVID-19 environment; the growth for 2020 amounted to 4.9%. Staff costs - the main component of operating expenses - increased by 3.6% in 2020. Administrative expenses decreased by 12.1%, while depreciation charge of premises and equipment increased by 11.7% and expenses related to repairs and maintenance of premises and equipment - by 35.0%. The ratio of operating expenses to operating income before credit loss allowance charge decreased to 34.6% at the end of 2020 compared to 35.8% at the end of 2019, showing a 1.2 p.p. decrease.

RUB BN	2019	2020	Δ,	Δ, %
Staff costs	449.7	465.9	16.2	3.6
Depreciation of premises and equipment	74.1	82.8	8.7	11.7
Repairs and maintenance of premises and equipment	36.3	49.0	12.7	35.0
Administrative expenses	41.4	36.4	(5.0)	-12.1
Taxes other than on income	32.4	32.0	(0.4)	-1.2
Telecommunication expenses	28.9	29.9	1.0	3.5
Amortization of intangible assets	23.7	28.7	5.0	21.1
Advertising and marketing services	9.4	12.2	2.8	29.8
Consulting and assurance services	8.6	9.3	0.7	8.1
Short-term, low value and variable lease expenses	9.1	6.4	(2.7)	-29.7
Other	11.0	7.2	(3.8)	-34.5
Total staff and administrative expenses	724.6	759.8	35.2	4.9

Analysis of the Assets Structure

GENERAL TRENDS

In 2020, the Group's assets increased by 20.2% - to RUB 36.0 trillion - compared to RUB 30.0 trillion as at December 31, 2019. The growth was influenced mainly by the increase of the loan portfolio, which showed a positive trend from the second half of 2020, and securities portfolio, as well as by revaluation of foreign currency assets during the year. Loans and advances to customers remain the largest category of assets: their share at the end of 2020 amounted to 64.9% of total assets. The total loan portfolio of the Group before credit loss allowance increased by 15.0% - to RUB 25.0 trillion. The proportion of liquid assets, including cash and cash equivalents, due from banks, securities portfolio including securities pledged under repo transactions comprised 28.2%. In 2020 the securities portfolio increased by 50.7% to RUB 6.6 trillion.

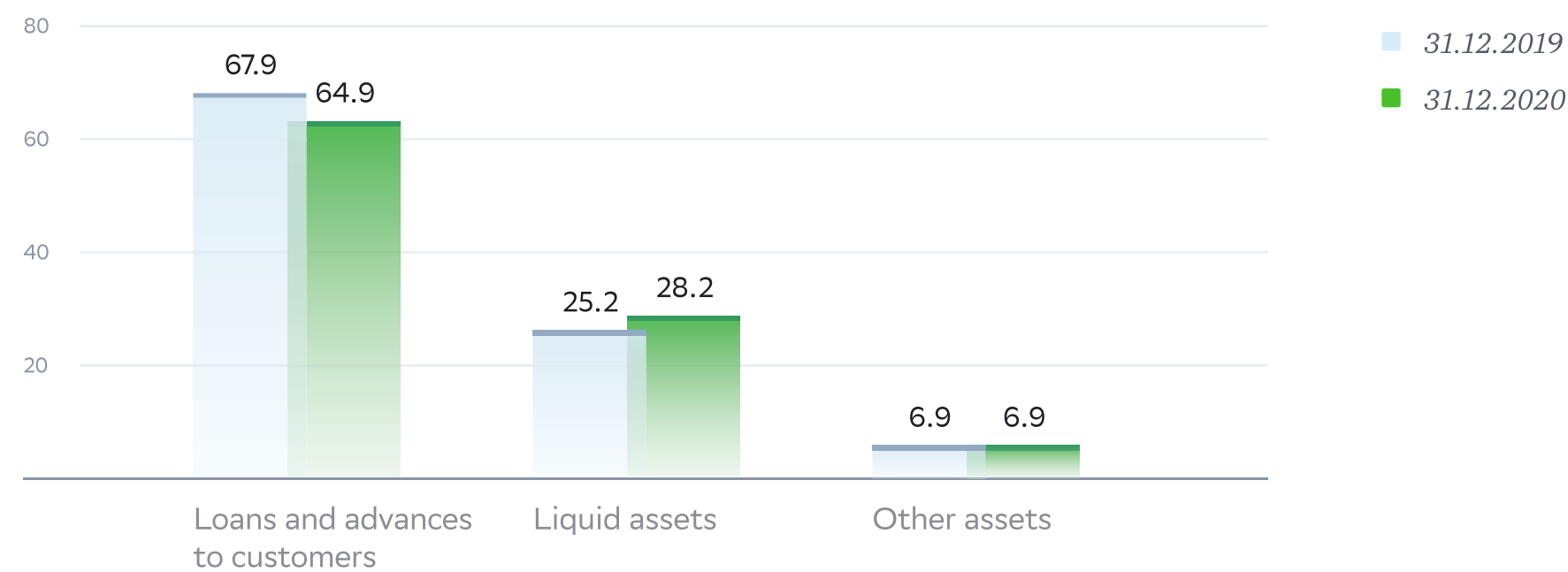


LOANS AND ADVANCES TO CUSTOMERS

Corporate loans (at amortized cost and at fair value) increased by 13.2% in 2020, in real terms (adjusted for FX revaluation as per management accounts) they showed growth by 9.3%. The share of corporate loans in the total loan portfolio slightly decreased and comprised 62.8% (2019: 63.8%). One of the factors contributing to the portfolio growth in 2020 were own and state business financing programs.

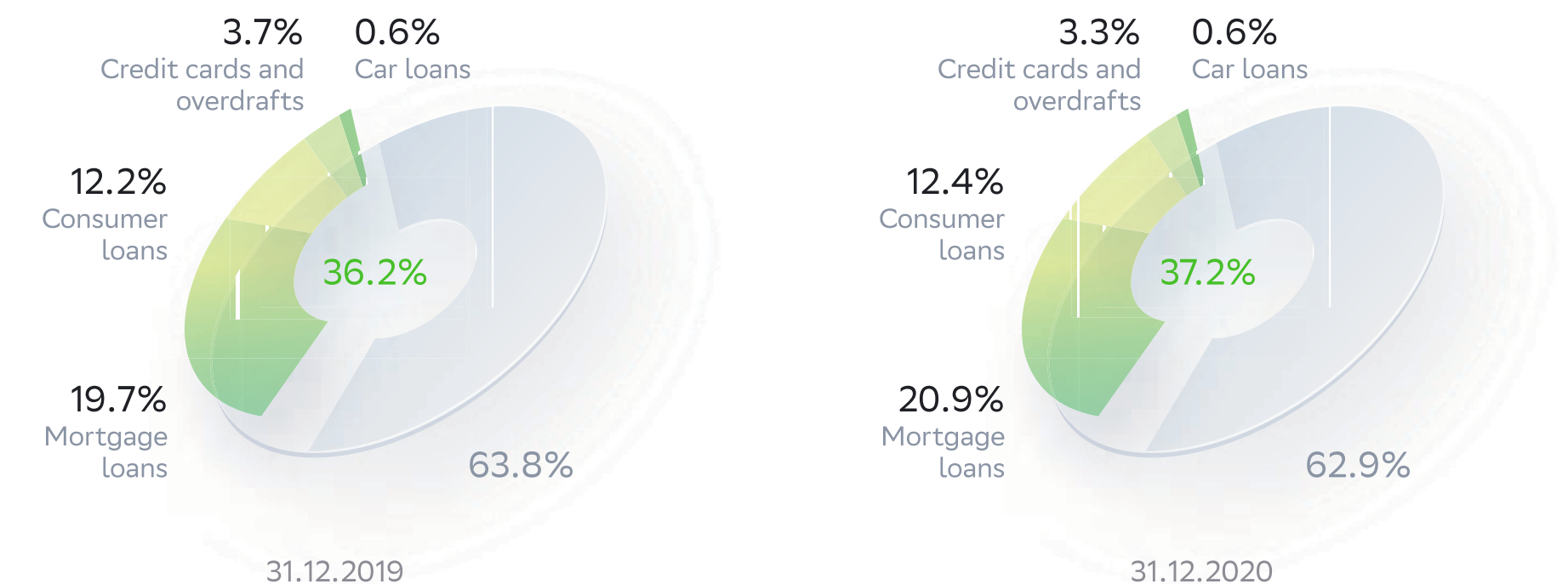
Retail loan portfolio expanded by 18.1% in 2020 to RUB 9.3 trillion. The share of retail loans in the total loan portfolio increased to 37.2% compared to 36.2% in 2019. The main driver of growth was the mortgage loan portfolio, which grew by 21.6% in 2020, supported by high demand for government and own subsidized lending programs. Development of digital channel of loan origination, real-estate platform DomClick, makes a substantial contribution to the increase of the mortgage lending; the DomClick monthly audience increased 2.6 times during 2020 to exceed 11 million users. Consumer loans to individuals also showed significant growth in 2020 (by 16.9% in 2020), including due to the continued growth of online sales via digital channels; the share of consumer loans issuance via digital channels approached 70.0% at the end of the reporting period against 56.0% at the end of the last year.

Liquid and other assets breakdown, %



Loans at amortized cost and fair value, %

Loans to legal entities
Loans to individuals



Loans and Advances to Customers at amortized cost and fair value

	31.12.2019		31.12.2020	
	RUB BN	%	RUB BN	%
Commercial loans to legal entities	11,564.8	53.2	12,239.7	49.0
Project finance loans to legal entities	2,300.6	10.6	3,460.7	13.8
Mortgage loans to individuals	4,291.2	19.7	5,219.3	20.9
Consumer and other loans to individuals	2,658.2	12.2	3,108.0	12.4
Credit cards and overdrafts	794.0	3.7	828.7	3.3
Car loans to individuals	140.6	0.6	152.2	0.6
Total loans and advances to customers before provision for loan impairment	21,749.4	100.0	25,008.6	100.0

Loans and Advances to Customers at amortized cost

	31.12.2019		31.12.2020	
	RUB BN	%	RUB BN	%
Commercial loans to legal entities	11,378.0	54.7	12,084.0	50.5
Project finance loans to legal entities	1,561.3	7.5	2,545.7	10.7
Mortgage loans to individuals	4,291.2	20.6	5,219.3	21.9
Consumer and other loans to individuals	2,631.6	12.7	3,055.1	12.8
Credit cards and overdrafts	794.0	3.8	828.7	3.5
Car loans to individuals	140.6	0.7	152.2	0.6
Total loans and advances to customers at amortized cost before provision for loan impairment	20,796.7	100.0	23,885.0	100.0

Loans and Advances to Customers at fair value

	31.12.2019		31.12.2020	
	RUB BN	%	RUB BN	%
Commercial loans to legal entities	186.8	19.6	155.7	13.9
Project finance loans to legal entities	739.3	77.6	915.0	81.4
Consumer and other loans to individuals	26.6	2.8	52.9	4.7
Total loans and advances to customers at fair value	952.7	100.0	1,123.6	100.0

QUALITY OF THE LOAN PORTFOLIO

The credit quality of the loan portfolio improved in the 4Q 2020. Thus, by the end of 2020, the share of NPL90+ (non-performing loans with interest payments and/or principal overdue more than 90 days) in the Group's total loan portfolio remained at the same level as that at the end of 2019, 4.3%. The share of Stage 3 and POCI («purchased or originated credit-impaired») loans in loan portfolio at amortized cost came down by 0.9 p.p. in 2020 to 6.6%. At the same time total provision coverage of Stage 3 and POCI loans comprised 102.8% as at the end of 2020 (89.3% as at the end of 2019).

SECURITIES PORTFOLIO

The Group's securities portfolio increased in 2020 by 50.7% to RUB 6.6 trillion. The Group's securities portfolio is represented mainly by debt instruments (96.2%) with high quality risk-profile and is used primarily for liquidity management. The growth of the securities portfolio in 2020 was mainly driven by purchases of Russian federal loan bonds (OFZ bonds) with floating coupon aimed at forming a liquidity buffer with no impact on capital adequacy and negligible impact on interest rate risk. The share of OFZ bonds in the portfolio increased in 2020 from 44.2% as at the end of 2019 to 59.2% as at the end of 2020. Therefore, OFZ bonds continue to hold the largest share in the Group's securities portfolio. The share of corporate bonds in the portfolio structure decreased y-o-y - to 23.7% compared to 31.9% as at the end of 2019.

6.6 TN P +50.7%

Group's securities portfolio

Securities portfolio structure

	31.12.2019		31.12.2020	
	RUB BN	%	RUB BN	%
Russian federal loan bonds (OFZ bonds)	1,923.5	44.2	3,880.3	59.2
Corporate bonds	1,389.7	31.9	1,556.2	23.7
Foreign government and municipal bonds	119.7	2.8	214.5	3.3
Russian Federation Eurobonds	282.8	6.5	260.9	4.0
Russian municipal and subfederal bonds	183.8	4.2	269.8	4.1
Mortgage-backed securities	98.4	2.3	126.3	1.9
Bonds of the Bank of Russia	249.2	5.7	-	0.0
Promissory notes	1.4	0.0	0.9	0.0
Total debt securities	4,248.5	97.6	6,308.9	96.2
Corporate shares	81.8	1.9	185.0	2.8
Investments in mutual funds	20.0	0.5	63.5	1.0
Total securities	4,350.3	100.0	6,557.4	100.0

Analysis of the Liabilities and Equity of the Group

GENERAL TRENDS

The Group's liabilities structure is dominated by amounts due to individuals and corporate customers, total amount of which comprised RUB 25.8 trillion as at 31 December 2020, or 83.2% of liabilities. The Group's total liabilities reached RUB 31.0 trillion with a 21.6% increase y-o-y.

31.0 TN ₪

+21.6%

Group's liabilities

CUSTOMER DEPOSITS

Amounts due to customers increased by 19.4% to RUB 25.8 trillion in 2020. Amounts due to individuals increased by 17.1% to RUB 16.6 trillion (+11.8% adjusted for FX revaluation as per management accounts) with significant increase, by 61.6%, demonstrated by current accounts of individuals; their share comprised 37.6% in the total structure of due to individuals. The share of term deposits in the total amount of due to individuals in 2020 decreased from 72.8% to 62.4%. In 2020, the share of due to individuals in the total structure of the Group's liabilities decreased, from 55.8% to 53.7%. Nevertheless, amounts due to individuals continue to remain the main source of financing for the Group accounting for the largest share in the total Group's liabilities. In 2020, amounts due to corporate customers demonstrated significant increase by 23.9% to RUB 9.1 trillion (+8.7% adjusted for FX revaluation as per management accounts). Their share in the total structure of the Group's liabilities increased from 28.9% to 29.5%.

Customer deposits

	31.12.2019		31.12.2020	
	RUB BLN	%	RUB BLN	%
DUE TO INDIVIDUALS				
- Current/demand accounts	3,869.5	18.0	6,253.0	24.3
- Term deposits and repo agreements	10,340.1	47.9	10,388.0	40.3
Total due to individuals	14,209.6	65.9	16,641.0	64.6
DUE TO CORPORATE CUSTOMERS				
- Current/settlement accounts	2,684.6	12.4	3,265.1	12.7
- Term deposits and repo agreements	4,680.2	21.7	5,859.6	22.7
Total due to corporate customers	7,364.8	34.1	9,124.7	35.4
Total	21,574.4	100.0%	25,765.7	100.0

DEBT SECURITIES ISSUED BY THE GROUP

The volume of debt securities in issue increased by 21.2% in 2020. This growth was supported by increase in bonds issued on the local market (by 36.1%) due to attraction of financing by Sberbank in 2020 on the Russian market under the programme of exchange-traded bonds denominated in Russian Roubles and through the issues of structured principal protected bonds, as well as revaluation of loan participation notes issued under the MTN programme of Sberbank and denominated in US dollars.

+36.1%

increase in bonds issued on the local market

	RUB BLN		CHANGE FOR THE YEAR	
	31.12.2019	31.12.2020	Δ	Δ, %
Bonds issued on the local market	472.2	642.5	170.3	36.1
Loan participation notes issued under the MTN programme of Sberbank	142.2	171.7	29.5	20.7
Promissory notes	82.9	55.3	(27.6)	-33.3
Savings certificates	32.4	14.7	(17.7)	-54.6
Total debt securities in issue	729.7	884.2	154.5	21.2

EQUITY OF THE GROUP

The Group's equity increased by 12.5% to RUB 5.0 trillion in 2020. The growth is attributed primarily to the Group's profit earned for the year. Also, the growth of equity was supported by the increase in fair value reserve for debt instruments measured at fair value through other comprehensive income due to positive revaluation of these securities in 2020. The increase in equity was also affected by perpetual subordinated loan attracted from the Ministry of Finance of the Russian Federation which was classified as equity financial instrument based on the terms of the agreement and included in the Group's equity.

	RUB BLN		CHANGE FOR THE YEAR	
	31.12.2019	31.12.2020	Δ	Δ, %
Share capital and share premium	320.3	320.3	-	0.0
Perpetual subordinated loan	-	150.0	150.0	n.a.
Treasury shares	(21.5)	(14.4)	7.1	-33.0
Revaluation reserve for office premises	44.6	37.7	(6.9)	-15.5
Fair value reserve for debt instruments measured at fair value through other comprehensive income	88.2	127.1	38.9	44.1
Foreign currency translation reserve	1.8	61.9	60.1	3338.9
Remeasuments of defined benefit pension plans	(2.1)	(2.7)	(0.6)	28.6
Liabilities reserve for buyout of non-controlling interest	(2.2)	(11.2)	(9.0)	409.1
Reserve for other comprehensive income of associates and joint ventures	-	0.5	0.5	n.a.
Retained earnings	4,049.2	4,375.6	326.4	8.1
Total equity attributable to shareholders of the Bank	4,478.3	5,044.8	566.5	12.6
Non-controlling interest	8.4	1.7	(6.7)	-79.8
Total equity	4,486.7	5,046.5	559.8	12.5

CAPITAL ADEQUACY RATIO OF THE GROUP

Common equity Tier 1 capital adequacy ratio under Basel 3.5 comprised 13.8% as at the year-end of 2020. Total capital adequacy ratio under Basel 3.5 amounted to 14.7% as at the year-end 2020 with a 0.1 p.p. decrease y-o-y. Nevertheless the ratio is significantly higher than the baseline set by Basel Committee (8%). The decrease is due to the growth of the Group's risk-weighted assets by 13.0% in 2020 to RUB 34.1 trillion. Leverage ratio of the Group comprised 12.9% at the year-end 2020. The risk-weighted assets density decreased by 5.9 p.p. to 90.3% in 2020. The reduction was achieved by the introduction of new IRB models, the transition to Basel 3.5 requirements (for IRB and standardized approaches), the partial release of macro add-ons for retail loans by the Bank of Russia, and the growth of the OFZ bonds portfolio.

Capital Adequacy Ratio, RUB bln

	BASEL 3.5	
	31.12.2019	31.12.2020
TIER 1 CAPITAL		
Share capital	87.7	87.7
Share premium	232.6	232.6
Retained earnings	4,049.2	4,375.6
Non-controlling interest	11.9	3.2
Treasury shares	(21.5)	(14.4)
Revaluation reserve for office premises	44.6	37.7
Fair value reserve for debt instruments measured at fair value through other comprehensive income	88.2	127.1
Foreign currency translation reserve	1.8	61.9
Remeasurement of defined benefit pension plans	(2.1)	(2.7)
Liabilities reserve for buyout of non-controlling interest	(2.2)	(11.2)
Reserve for other comprehensive income of associates and joint ventures	-	0.5
less goodwill	(13.6)	(48.8)
less intangible assets	(78.4)	(94.0)
Other deductions from capital	(22.8)	(35.3)
Common equity Tier 1 capital	4,375.4	4,719.9
Perpetual subordinated loan	-	150.0
Tier 1 capital	4,375.4	4,869.9

	BASEL 3.5	
	31.12.2019	31.12.2020
TIER 2 CAPITAL AND TOTAL CAPITAL		
Eligible subordinated debt	55.1	41.7
Excess of total eligible provisions over expected loss amount under IRB approach	48.0	97.3
Tier 2 capital	103.1	139.0
Total capital	4,478.5	5,008.9

RISK WEIGHTED ASSETS (RWA)		
Credit risk	25,628.4	29,253.9
Operational risk	3,486.8	3,664.3
Market risk	1,084.6	1,206.0
Total risk weighted assets (RWA)	30,199.8	34,124.2

CAPITAL ADEQUACY RATIOS		
Common equity Tier 1 capital adequacy ratio (Common equity Tier 1 capital to Total RWA), %	14.5	13.8
Tier 1 capital adequacy ratio (Tier 1 capital to Total RWA), %	14.5	14.3
Total capital adequacy ratio (Total capital to Total RWA), %	14.8	14.7

Leverage

	BASEL 3.5	
	31.12.2019	31.12.2020
Tier 1 capital	4,375.4	4,869.9
Total leverage ratio exposure	31,401.0	37,807.9
Leverage ratio, %	13.9	12.9

THE GROUP HAS IDENTIFIED THE FOLLOWING REPORTABLE SEGMENTS

In the consolidated financial statements for the year ended 31 December 2020, the Group has introduced for the first time a segment information based on business segments since segment reporting based on business segments provides a more complete and detailed view of the Group's activities, product structure and financial performance.

The presentation of segment reporting by the Group is based on the main business lines that have their own development strategies, separate management procedures, as well as product and geographical specialization, and the results of which are regularly reviewed by the management for making management decisions.



¹ Non-financial business Gross Profit does not include Yandex Market data and financial information on disposal of Yandex Market. Information on associates or joint ventures are included into the metrics on a pro-rata basis to the Group's interest in respective companies during the reporting period

The Group has identified the following reportable segments

The **Banking business** segment includes provision of lending products to corporate clients and individuals; issuance and maintenance of banking cards; operations with derivative financial instruments, foreign currencies, precious metals, commodities and securities; debt and capital markets funding services and custody services; documentary operations; deposit and corporate structured products; other commission services.

The **Payment business** segment includes cash and settlement services for corporate clients, currency control, domestic and international payments and transfers of individuals, acquiring services.

The **Wealth management and brokerage business** segment focuses on services to individuals and corporate clients in the area of pension accounts and brokerage, as well as asset management services and life insurance.

The **Risk insurance** segment includes products provided to both individuals and corporate clients such as credit insurance, non-credit risk insurance, corporate insurance products.

The **Non-financial business** segment is focused on the development and provision of new types of services through the companies of the Group or through companies where the Group has an equity stake in such sub-segments as E - Commerce, FoodTech & Mobility, entertainment, Health, B2Bservices and other non-financial services.

The **Other** business segment includes a number of non-core assets and unallocated items.

In the Appendices information on the financial position and performance of the reportable segments as at 31 December 2020 and 31 December 2019 and for the years then ended is presented.

More detailed information on products / services and performance of each reportable segment is disclosed in the YE2020 IFRS consolidated financial statements of the Group https://www.sberbank.com/common/img/uploaded/files/info/ifrs2020/04/ifrs_4q_public_all2020_0403en.pdf

Risk Report

162 Risk Management Strategy

165 Approach to Management of Key Risks of the Group

172 ESG Risk Management



Risk Management Strategy

Sber's risk management system is based on the Sberbank Group Risk and Capital Strategy, as well as individual risk management policies.

The Strategy can be found at:
https://www.sberbank.com/common/img/uploaded/files/pdf/normative_docs/group_risk-and-capital-strategy_rus.pdf

The risk management system is developed in accordance with Russian laws and regulations of the Bank of Russia, takes into account the recommendations of the Basel Committee on Banking Supervision and the European Union, is in line with global best practices and aimed at ensuring the sustainable development of Sber as part of the Strategy. The system is, among other things, based on internal capital adequacy assessment procedures.

In order to ensure effective planning and control of accepted risks, the risk management functions are distributed among the Supervisory Board, executive bodies, collegial working bodies accountable to the bank's Executive Board, the head of the Risks Division (head of the bank's Risk Management Service), units of the Risks Division and other divisions of the bank.

Sber's internal control system uses the three lines of defense model.

01

The first line of defense

is responsible for daily internal control (identification, assessment and control of risks during daily activities).

02

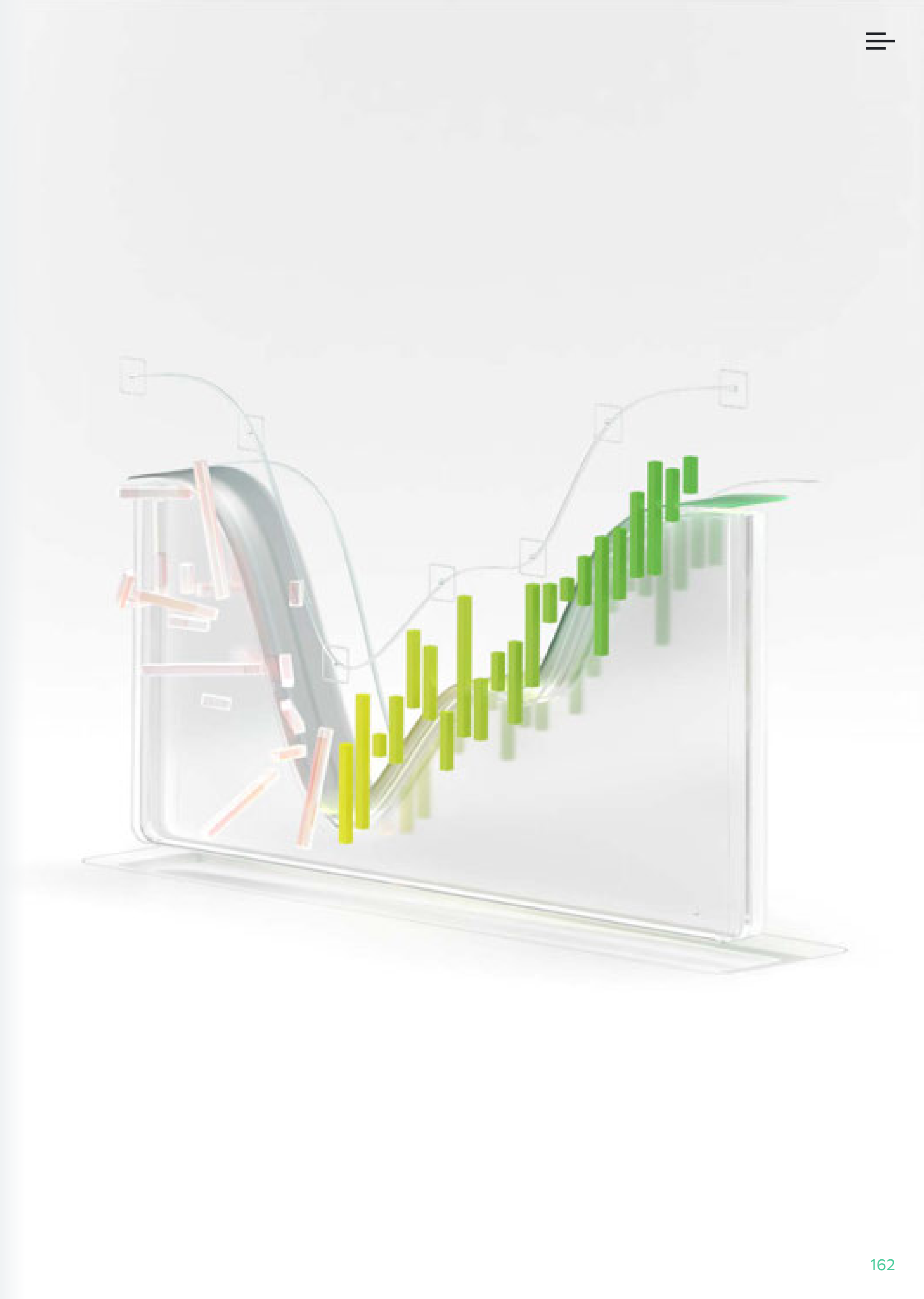
The second line of defense

develops and implements internal control rules and procedures (definition of risk management standards, principles, limits and restrictions, risk level monitoring, reporting, verification of risk level compliance with risk appetite, consulting, modeling and aggregation of the risk profile).

03

The third line of defense

conducts an independent assessment of the effectiveness of internal control and risk management systems (assessment of the effectiveness of internal control systems, development of recommendations for its improvement).



RISK MANAGEMENT POWERS AND RESPONSIBILITY



1 Passive risk taking as a result of risk transfer.

Integrated risk management and capital adequacy management

The Group's integrated risk management system includes procedures for identifying risks and assessing their materiality. They are performed on an annual basis and are completed before the start of the annual business planning cycle. In case of significant changes in the external environment and/or within the Group that may affect the level of its risks, an unscheduled risk identification and assessment of risk materiality may be conducted.

For each risk type, the Group/Group Member shall determine an approach to the assessment of capital requirements, after which the aggregate level of risk and the corresponding amount of capital charges for all risk types are determined as part of the capital requirement aggregation.

In order to limit exposure to risks, the Group has approved a Risk Appetite, which represents a system of indicators characterizing the aggregate maximum level of risk acceptable in the process of achieving the Group's established strategic goals. The aggregate risk level of the Group is assessed at least once a quarter, including:

In accordance with the Group's Risk and Capital Strategy and Capital Adequacy Management Policy, the purpose of Sberbank Group's capital adequacy management is to ensure the ability of the bank and the Group as a whole to meet their strategic asset growth objectives while fully complying with the capital adequacy requirements both under current operating conditions and under stress.

The following tools are used to manage capital adequacy at the bank and Group level: business planning and capital adequacy management plan, dividend and capitalization planning in subsidiaries, system of limits for capital adequacy indicators and capital adequacy management plan in case of crisis.

The following methods are used to assess the level of capital adequacy: forecasting capital adequacy ratios, a system of red flags for a capital decrease, stress testing of capital adequacy.

Forecasting of capital adequacy ratios is performed at least once a month over a horizon of at least one year and takes into account current assumptions about changes affecting capital adequacy ratios (e. g. increasing assets, attracting capital sources, paying dividends, investing in subsidiaries, changing regulatory requirements). The forecast of the capital adequacy ratios, capital amount and target structure helps Sber proactively detect violations of standards and make timely management decisions.

Development of risk culture and risk behaviors

The Group implements a set of risk culture development measures aimed at ensuring the sustainable and effective functioning of the risk management system. The development of risk culture means that employees who are not formally associated with the risk management function understand their role in dealing with risks and a high level of responsibility when fulfilling the functions of the first line of defense.

To foster a risk culture, the bank employs an influence model assuming that the risk-oriented attitudes of employees are formed via three main channels: a personal example set by a divisional manager, bank-wide communications and training.

Special focus is placed on psychological safety, i. e. creation of an environment where it is possible to openly admit mistakes, report problems, criticize the status quo, ask questions and propose ideas. For these purposes, the bank has created the Compliance Hotline ethics@sberbank.ru and the Hotline with the Management where employees can openly report any issues to the bank's management. All requests receive proper attention.

Regular information campaigns promoting the target principles of aware behavior are held in bank-wide communication channels on a regular basis: I Say When I See, I Correct As I Hear, Making the Bank Better.

Risk management training programs are available to all levels of management and rank-and-file employees in order to improve their understanding of risk and its impact on the bank's activities.

Risks of the Group in 2020



Approach to Management of Key Risks of the Group

RISK DEFINITION	RISK DESCRIPTION	RISK MANAGEMENT POLICIES AND COMMITTEES	RISK MANAGEMENT AND ASSESMENT
<p>Credit Risk</p>	<p>The risk of losses occurring due to a failure to perform, a delay in performance, or an incomplete performance of contractual financial obligations by a counterparty.</p>	<p>Policy:</p> <ul style="list-style-type: none"> • Credit Risk Management Policy • Loan Product Security Policy <p>Risk Management Committee:</p> <ul style="list-style-type: none"> • Credit and Investment Committee • Market Risk Committee <p>The risk level is assessed using statistical models for credit risk quantification—PD, LGD, or EAD.</p>	<p>Key credit risk management methods:</p> <ul style="list-style-type: none"> • prevent credit risk by identifying, analyzing, and assessing potential risks; • project credit risk level by assessing the level of expected losses; • contain credit risk by imposing risk limits and/or restrictions; • create loan loss provisions; • manage transaction security; • monitor and control the level of credit risk. <p>The risk level is assessed using statistical models for credit risk quantification—PD, LGD, or EAD.</p> <p>Assessment of credit risks of the Group’s counterparties for transactions that carry credit risks is made depending on the type of counterparty:</p> <ul style="list-style-type: none"> • corporate clients – based on a credit rating system depending on the counterparty’s risk segment, as well as by building projected cash flow models; • individuals—based on an assessment of the counterparty’s solvency, an express assessment, behavior data and information from external sources available to Sberbank. <p>A multi-level limit system, including Group risk appetite limits, is used to contain credit risk.</p>
<p>Trading Book Market Risk</p>	<p>Risk of losses or reduction of profit associated with adverse changes in the value of financial instruments, as well as foreign exchange rates and precious metal prices.</p>	<p>Policy:</p> <ul style="list-style-type: none"> • Policy for Managing Market and Credit Risks Arising from Financial Markets Transactions <p>Risk Management Committee:</p> <ul style="list-style-type: none"> • Market Risk Committee 	<p>The basis for the management system is risk identification, assessment and further management. The key management tool is to set market risk limits at the portfolio level. Market risk limits are imposed on four levels of portfolio hierarchy, from the aggregated level to limits of the level of individual sub-portfolios or strategies.</p> <p>Top-level limits constitute Group risk appetite metrics. Value at Risk (VaR) is the key market risk assessment metric. The bank assesses VaR using the historic modeling methodology with a confident probability level of 99 % at a 10-day horizon.</p>

Approach to Management of Key Risks of the Group

RISK DEFINITION	RISK DESCRIPTION	RISK MANAGEMENT POLICIES AND COMMITTEES	RISK MANAGEMENT AND ASSESMENT
<p>Banking Book Interest Rate and Currency Risks</p>	<p>Interest rate risk in the banking book is a risk of losses or a decrease in profit, capital or capital adequacy due to an adverse change in interest rates of financial instruments in the banking book and/or market interest rates affecting the value of the banking book financial instruments.</p> <p>The banking book currency risk is a risk of financial losses or a decrease in capital or capital adequacy as a result of changes in foreign exchange rates or precious metal prices in banking book positions.</p>	<p>Policy:</p> <ul style="list-style-type: none"> Banking Book Interest Rate and Currency Risk Management Policy <p>Risk Management Committee:</p> <ul style="list-style-type: none"> Assets and Liabilities Management Committee 	<p>Management of banking book interest rate and currency risks (BBIRCR) is performed in a centralized manner, taking into account the principles of position consolidation and the Three Lines of Defense.</p> <p>The key procedures for BBIRCR management include:</p> <ul style="list-style-type: none"> BBIRCR identification and assessment; BBIRCR mitigation by establishing a limit system; management of banking book interest rate and currency positions; BBIRCR stress testing; control of BBIRCR levels and compliance with established limits; BBIRCR reporting; validation of models used for quantitative assessment of BBIRCR; assessment of the quality and efficiency (internal audit) of the BBIRCR management system. <p>The Group primarily uses the following metrics to assess BBIRCR:</p> <ul style="list-style-type: none"> change in NII (ΔNII); regulatory OFXP; economic capital. <p>A multi-level limit system, including Group risk appetite limits, is used to contain BBIRCR.</p>
<p>Banking Book Credit Market Spread Risk</p>	<p>The risk of losses or a decrease in capital because of a decline in market prices of securities in the banking book acquired under the 'receipt of contractual cash flows' or 'receipt of contractual cash flows and sale' business models and carried at fair value as a result of an adverse change in market credit spreads.</p>	<p>Policy:</p> <ul style="list-style-type: none"> Banking Book Market Credit Spread Risk Management Policy <p>Risk Management Committee:</p> <ul style="list-style-type: none"> Assets and Liabilities Management Committee 	<p>Key methods for banking book market credit spread risk (BBMCSR) management:</p> <ul style="list-style-type: none"> BBMCSR identification and assessment, including economic capital assessment; BBMCSR mitigation (by establishing a system of limits); BBMCSR stress testing; control of BBMCSR level and of compliance with set limits; BBMCSR management, including the development and implementation of measures required to comply with set BBMCSR limits; validation of models used for quantitative assessment of BBMCSR. <p>To assess BBMCSR, the Value-at-Risk (VaR) metric is used, which is an estimate of the maximum loss in the fair value of securities in the banking book as a result of changes in market credit spreads over a given period of time with a given probability (confidence level). A multi-level limit system, including Group risk appetite limits, is used to contain credit spread risk.</p>

Approach to Management of Key Risks of the Group

RISK DEFINITION	RISK DESCRIPTION	RISK MANAGEMENT POLICIES AND COMMITTEES	RISK MANAGEMENT AND ASSESMENT
<p>Liquidity Risk</p>	<p>Liquidity risk is a risk of inability to finance own activities, i.e. to ensure the growth of assets and/or perform obligations as they become due, or of violation of regulators' requirements relating to liquidity risk.</p>	<p>Policy:</p> <hr/> <ul style="list-style-type: none"> Liquidity Risk Management Policy <p>Risk Management Committee:</p> <hr/> <ul style="list-style-type: none"> Assets and Liabilities Management Committee 	<p>Key liquidity risk management methods:</p> <hr/> <ul style="list-style-type: none"> business planning and preparation of a Funding Plan; a system of limits and trigger limits for risk metrics containing liquidity risk; product pricing; transfer pricing; approval of new product terms and conditions; approval of large transactions; maintenance of a liquidity buffer; development of an action plan for restoration of financial stability in a liquidity crisis. <p>Key liquidity risk assessment methods:</p> <hr/> <ul style="list-style-type: none"> calculation of risk metrics to monitor and measure the liquidity risk; top-down balance sheet projection; bottom-up balance sheet projection; scenario analysis; stress testing. <p>A multi-level limit system, including Group risk appetite limits, is used to contain liquidity risk.</p>

Approach to Management of Key Risks of the Group

RISK DEFINITION	RISK DESCRIPTION	RISK MANAGEMENT POLICIES AND COMMITTEES	RISK MANAGEMENT AND ASSESMENT
<p>Operational Risk</p>	<p>The risk of the Group incurring losses as a result of any deficiencies in its internal processes, operation of information systems, unauthorized / illegal actions or errors committed by employees, or due to external events.</p> <p>In accordance with Basel II, it includes the following categories of events:</p> <ul style="list-style-type: none"> external fraud; internal fraud; HR policy and workplace safety; clients, products, and business practices; damage to tangible assets; business interruptions or system failures; execution, service provision and process management. 	<p>Policy:</p> <ul style="list-style-type: none"> Operational Risk Management Policy <p>Risk Management Committee:</p> <ul style="list-style-type: none"> Group Risk Committee Operational Risk Steering Committee 	<p>Key management methods:</p> <ul style="list-style-type: none"> comprehensive regulation of business processes and procedures; division of powers; internal control of compliance with the established procedures for executing operations and transactions and the limits discipline; a set of measures aimed at ensuring information security and continuous operations; improvement of audit procedures and quality control of automated systems and hardware operation; property and asset insurance. <p>Key risk identification methods:</p> <ul style="list-style-type: none"> daily analysis of data on realized operational risk events and any damage incurred as a result; analysis of information on operational risks provided by structural units in the course of self-assessment and as a result of quarterly and annual scenario-based analysis; business process analysis. scenario analysis; stress testing. <p>Loss limits have been set within the Group risk appetite to contain operational risk.</p>
<p>Country risk</p>	<p>Risk of loss associated with the inability or unwillingness of sovereign counterparties of a certain country and the inability of the other counterparties of that country or counterparties to operations with final risk in that country (if that country provides a source for repayment of the counterparty's obligations) to fulfill their obligations for reasons other than standard risks.</p>	<p>Policies:</p> <ul style="list-style-type: none"> Country Risk Management Policy <p>Risk management Committee:</p> <ul style="list-style-type: none"> Group Risk Committee <p>Some functions related to country risk management are delegated to Sberbank's Credit and Investment Committee, Market Risk Committee and Distressed Asset Committee.</p>	<p>To manage country risk, the bank has developed limits and red flag values that limit the overall concentration of transactions associated with country risk across the bank, as well as across individual countries.</p> <p>Since 2019, country risk has been accounted for in credit risk rather than as part of a separate model for calculating economic capital. The existing credit risk model covers the assessment of losses from country-risk events.</p>

Approach to Management of Key Risks of the Group

RISK DEFINITION	RISK DESCRIPTION	RISK MANAGEMENT POLICIES AND COMMITTEES	RISK MANAGEMENT AND ASSESMENT
<p>Cybersecurity risk</p>	<p>Risk of Group losses, lack of liquidity, negative impact on the Group's business reputation or regulatory sanctions resulting from malicious actions of third parties' using information technology.</p>	<p>Policy:</p> <ul style="list-style-type: none"> Cybersecurity Risk Management Policy of Sberbank Group <p>Risk management Committee:</p> <ul style="list-style-type: none"> Group Risk Committee Steering Committee for Cybersecurity Risks 	<p>The Group takes a process-oriented approach to cyber risk management. As part of the risk management, a context is defined, with a cyber risk assessed and then processed according to an adopted plan.</p> <p>Before deciding what should be done to reduce the risk to an acceptable level and when, forecast is made as to what may happen and what the possible consequences may be.</p>
<p>Model risk</p>	<p>Risk of adverse consequences arising from inaccuracy (errors) of models and/or incorrect application of models in bank (entity) processes.</p>	<p>Policy:</p> <ul style="list-style-type: none"> Model Risk Management Policy of Sberbank Group <p>Risk management Committee:</p> <ul style="list-style-type: none"> Group Risk Committee 	<p>Responsibility for model risk management by the functional units of a Group member credit institution is accepted in such a way as to ensure a clear division of responsibility between the three lines of defense. Model developers strive to minimize inaccuracies (errors) of a model. Model owners make the final decision to introduce the model into the processes of the bank or the Group, thus accepting the model risk created by these models. Model owners are involved in the implementation of measures necessary to meet the established limits on model risk.</p> <p>The Validation Department maintains a methodological framework for assessing model risk, validates models, evaluates model risk, reports on the level of model risk, advises developers, owners and users on model risk assessment. Audit services conduct an independent assessment of the effectiveness of the model risk management system and its compliance with internal and external requirements.</p>
<p>Risk of participation and forced financial support</p>	<p>Risk of losses of the bank or a member of the Group due to unfavorable change in the financial position/market value of investments in equity securities that give control or significant influence over an issuer/the charter capital of an entity¹, and due to the bank's forced provision of financial aid to entities that are not taken into account in calculating the capital adequacy ratios of the Group.</p>		

¹ Third parties include employees of the Group.

Approach to Management of Key Risks of the Group

RISK DEFINITION	RISK DESCRIPTION	RISK MANAGEMENT POLICIES AND COMMITTEES	RISK MANAGEMENT AND ASSESMENT
<p>Technology risk</p>	<p>Risk of direct or indirect losses resulting from IT system inaccessibility, data quality and integrity issues, contractor and partner failures and IT system design and update errors.</p>	<p>Policy:</p> <hr/> <ul style="list-style-type: none"> Technology Risk Management Policy. Tau agenda <p>Risk management Committee:</p> <hr/> <ul style="list-style-type: none"> Group Risk Committee 	<p>Four lines of defense are used in technology risk management. The first line of defense is the owner of a technology risk inherent in an automated system and automated business services of the Group. It develops a methodology and controls risk mitigation measures. The second line supports goal-setting and risk management independently of the first line of defense. The third line performs an independent assessment of the compliance of the risk management system with internal and external requirements. Regulators, as well as external auditors, represent the 4th line of defense and control.</p>

MAJOR REGULATORY CHANGES IN RISK MANAGEMENT IN 2020

In June 2020, the requirements for an operational risk management system were established, including information security risk and information system risk, as well as requirements for classification of such risk events and maintenance of an appropriate database, control over the completeness of recording of direct losses in the database, necessary to calculate the level of operational risk which is included in the capital adequacy ratios according to the Basel III standardized assessment approach. Pursuant to this document, credit institutions are to bring their databases of operational risk events and the procedure for accounting for such events in line with the Basel III requirements by early 2022.

In April, the Bank of Russia issued Instruction No. 5442-U On Amending Regulation of the Bank of Russia dated 6 August 2015 No. 483-P “On the Procedure for Calculating the Level of Credit Risk Based on Internal Ratings.” It relaxed the requirements by reducing some of the credit risk assessment parameters pursuant to Basel 3.5 (alpha and LGD) and introduced a condition for the non-application of IRB if credit risk relates to equity interests, provided that a bank has transitioned to the finalized standardized approach.

In September, the Bank of Russia issued Instruction No. 5521-U On Amending Bank of Russia Instruction No. 199-I dated 29 November 2019 “On Mandatory Ratios and Extra Capital Charges for Banks with a Universal License.” As part of the finalized approach, banks were offered an alternative methodology for assessing credit risk related to mortgage transactions, developed by the regulator in accordance with Basel 3.5. The new methodology is more risk sensitive, as it involves a wider set of risk weights depending on the main parameters of a transaction. In addition, the Bank of Russia clarified some provisions regarding the use of the finalized approach to assess capital adequacy ratios (e. g. the algorithm for classifying banks and the use of a risk weight for borrowers classified as “investment grade”).

SBERRISKTECH

Sber's risk management is undergoing technology transformation based on an artificial intelligence algorithm and an increase in the number of models used.

>1,300

Today, Sber has more than 1,300 models in place, with 80% of the models for retail and corporate and investment clients monitored automatically.

The capacity and reliability of a scalable technology platform Sberbank Lending Factory allows Sber to deal with peak loads of up to 1 million applications per day.

The application of neural networks to transactions and other Sber data has significantly increased the accuracy of risk assessment models when issuing loans to individuals and made it possible to more accurately separate customer segments and determine individual conditions for them.

The focus is placed on convenience, speed and quality of customer service. In 2020, the client only had to complete a short questionnaire (a total of 11 fields) to receive a retail loan, with the questionnaire already pre-filled for Sber clients. As decisions are made without human involvement, the client receives a response in 90 seconds. This has already been implemented in 97.5% of applications. The online restructuring launched in 2020 allowed Sber to make a loan decision in 20 minutes on 45% applications.

45% of decisions on short-term loans to customers of large and medium-sized businesses are issued on technology «Loan in 7-Minutes».

Sber created one of the largest client connection graphs with 120 million nodes and about 6.5 billion connections updated daily. This graph improves the accuracy and speed of decisions and is actively used to determine guarantors, assess the impact of related companies on a counterparty rating and include clients in a group of related borrowers.

RISK MANAGEMENT SYSTEM DEVELOPMENT IN 2020

The pandemic had a significant impact on the Group's risk management. To quickly respond to the situation, a number of changes were made to the risk management system and the level of process automation was significantly increased.

To control the operational risks associated with significant changes in internal and external processes during the first quarter of 2020 (closure of some offices, additional security measures during remote operation, more technically complicated launch of new services), a specialized ANTICOV headquarters was created. The Operational Risk Steering Committee developed and agreed with business units a work plan for conduct risk.

In terms of credit policy and monitoring, the necessary adaptation measures for management in a critical situation were implemented. Risk profiling of the state support program was carried out.

ECOSYSTEM RISK MANAGEMENT

The concept of ecosystem risk management is broken down by companies, technology platforms and products. The Ecosystem Risk Division as a central unit is responsible for maintaining common standards, methodological and operational support. At the same time, each ecosystem company builds its own internal risk management processes taking into account the specifics of their business, size and stage of development. Each company has appointed a risk coordinator to align with Group processes. Despite the wide variety of activities carried out by ecosystem companies, risk management there is based on the basic principles with special focus on risks material to the Group.

Unified technology platforms are managed based on the coherence of approaches and are adapted to avoid scaling local risk incidents throughout the ecosystem. At the same time, new communication channels and new powers are being built by all participants to provide a quick response.

In 2020, risk management in the companies was systematized and streamlined, and the companies were integrated into the risk management framework of Sber Group.

LOAN PORTFOLIO QUALITY IN 2020

Restructured loans

Primarily due to the pandemic, 2020 was characterized by a high level of restructuring, both taking into account state support and based on the bank's own programs. The actual restructured loans amounted to RUB 2.4 trn for corporate clients and RUB 181 bn in retail. At the same time, the quality of our portfolio as a whole remains at a fairly high level, even despite the large volume of restructuring.

Cost of risk

The Bank allocated significant provisions in the first half of 2020 as a result of the global distress from COVID-19. In the second half of the year, provision charge was reduced on the back of signs of economic recovery. The combined provision charge for 2020 amounted to 493.8 bn RUB, and the cost of risk came in at 206 b.p.

RWA density development

Launch of new IRB models, transition to Basel 3.5 (for IRB and standardized approaches) and reduction of macro add-on for retail loans led to a significant decrease in the RWA density to 90.3%.

ESG Risk Management

In implementing responsible finance practices, SBER faces various challenges, including the realization of the ESG risk through the supply chain and unfair business practices.

In 2021, SBER intends to address these challenges by improving our ESG risk registration tools, including extending ESG risk analysis to the entire supply chain, conducting environmental due diligence for the largest deals, deploying customer questionnaire surveys, and labelling green and ESG deals based on our own ESG ranking model. By 2023, SBER is planning to extend the ESG scoring to the entire loan portfolio.

In 2020, based on the decision of the Group's Risk Management Committee, work was carried out on:

- Developing the main sections of the ESG risk management policy.
- Approaches to assessing ESG risks were defined, a process for determining the approach to incorporation of ESG risks into borrower assessment procedures was established and a roadmap was approved.
- The Concept for Developing the ESG Risk Management System at the Group was approved.
- Key tools for determining the level of ESG risks within the lending process were developed, and there are plans to implement those tools following the automation of the ESG data use.

There is currently a range of tools already in use. Among other things, the Bank monitors the occurrence of environmental risks in valuing pledged real estate during the lending process. The presence of environmental risks is taken into account in loan commitments, in determining the acceptability of collateral for the use of the Internal Ratings-Based (IRB) Approach and in subsequent monitoring of collateral.

Compliance with the requirements and conditions of environmental legislation when using the pledged property is provided for in the standard forms of loan, bank guarantee and mortgage agreements. In particular, this responsibility is reflected in covenants under a loan agreement, whereby the Bank is granted the right to demand early performance of an obligation in case of the borrower's/pledgor's breach of legislation on natural resource management.

The occurrence of environmental risk associated with real estate related to industries having an adverse environmental impact is controlled during the collateral monitoring phase through both documentary and on-site inspections of the property. If any violations are detected, the relevant information is reflected in the Bank's automated systems and is communicated to the lending business unit, the risk management function and the Security Handling Service.

In 2020, in light of SBER's ESG agenda implementation, the need arose for additional identification and assessment of ESG risks and their transmission to traditional banking risks.

Work on creating an ESG risk management system was launched with the following initiatives implemented as part of it:

- Assessment of an unacceptably high ESG risk was incorporated into the lending process
- Approaches to considering the ESG risk in industry-specific lending strategies were determined
- A prototype for the ESG risk assessment tool was developed (its incorporation into the lending process is planned as the prototype is automated)
- Developed stress testing methods for climate and environmental risks
- A stress test was conducted to assess the impact of cross-border carbon regulation and national environmental regulation

As part of the work carried out by SBER's ESG committee, an ESG Risk Management working group is functioning. All of the Group's initiatives are aimed at developing its own expertise in the integrated ESG risk management, particularly by developing tools to identify ESG risks, developing an ESG rating system, upgrading all the processes by integrating ESG factors into them, monitoring ESG risks and stress testing to measure the impact of ESG factors.

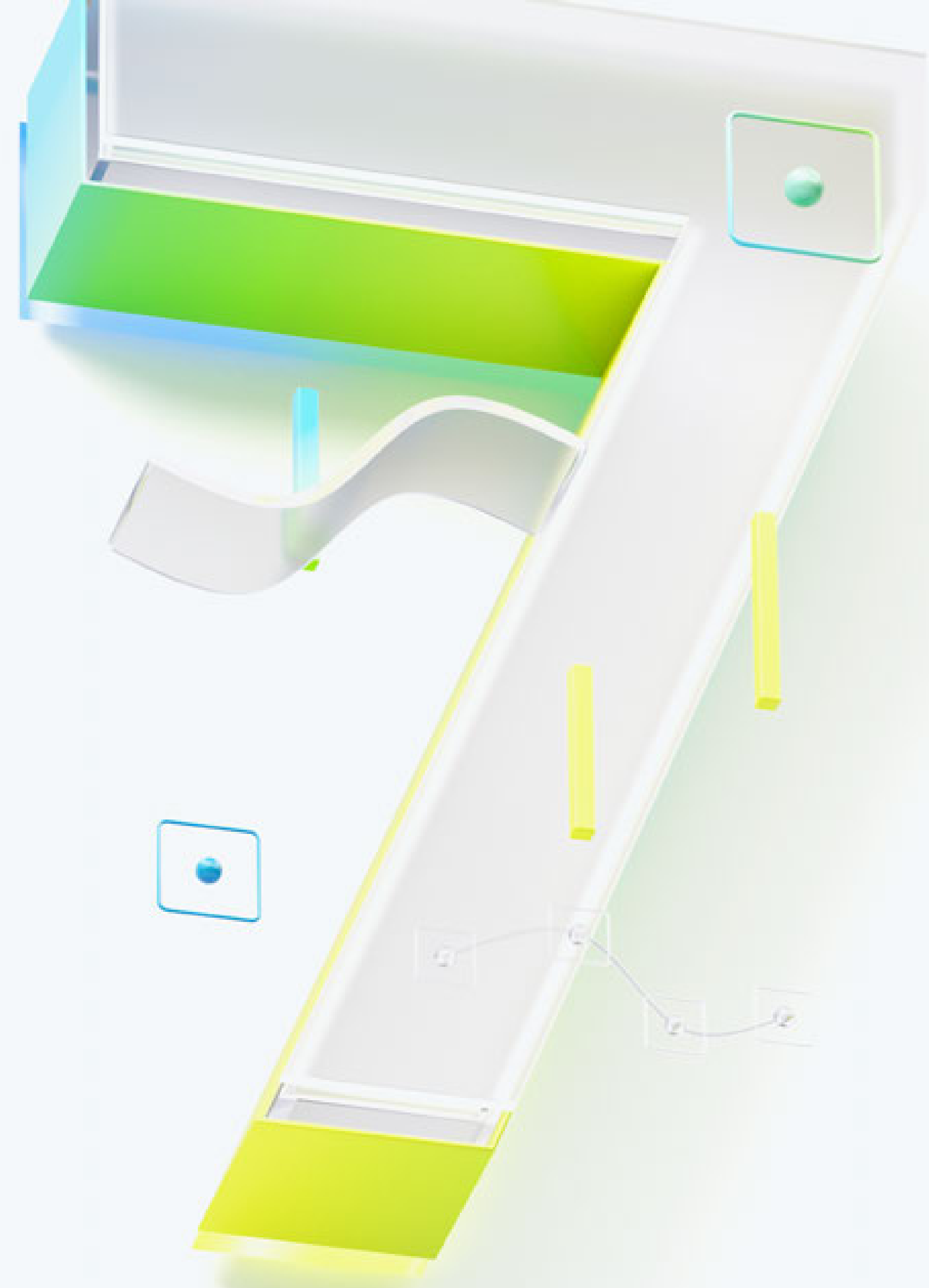
Foreign Subsidiary Banks

174 SB Sberbank JSC

175 BPS-Sberbank OJSC

176 Sberbank JSC

177 Sberbank Europe AG



SB SBERBANK JSC

REPUBLIC OF KAZAKHSTAN

110

BRANCHES

17

REGIONAL BRANCHES

ACTIVE CLIENTS

68_K

CORPORATE CLIENTS

1,2_{MN}

RETAIL CLIENTS

ECONOMIC CONDITIONS IN 2020

The pandemic sent Kazakhstan into recession for the first time since the crisis of 2009. The commodity orientation of the economy increased the negative effect, with the contraction of external demand accompanied by a sharp drop in export prices and participation in the OPEC+ deal leading to a decrease in production. The introduction of strict lockdown measures helped tackle the first coronavirus wave, but hit domestic demand badly. The government responded to the challenges with a large-scale support package estimated at 9% of GDP, enabling to slightly limit the decline in the economy. In 2020, GDP shrank by 2.6%, the mining industry fell by 3.7%, retail turnover by 4.1%, the transport industry by 17.2%, and the service sector by 5.6%.

Throughout the year, increased volatility persisted in the foreign exchange market. In March, the USD/KZT exchange rate hit historic highs, after which tenge began to gradually strengthen and ended the year at KZT 421 per US dollar against KZT 381 at the beginning of 2020, registering a c. 9% decline.

During the peak of turbulence in financial markets, the National Bank decided to sharply increase the rate (from 9.25% to 12%). Policy tightening turned out to be short-term, less than a month later the rate was reduced to 9.5%. The low rates, combined with a mortgage subsidy program, fueled demand for housing loans, the issuance of which exceeded the average level of 2019 by 70%+ at the end of the year.

Inflation accelerated in the wake of weakening tenge and rising global food prices. December 2020 saw prices grow 7.5% y-o-y, which significantly exceeded the official target of the regulator (4–6%). Food inflation (+11.3%) was the major contributor to the overall price growth.

In 2020, the assets of the banking system of Kazakhstan rose by 16%, the loan portfolio by 5.5%, deposits with deposit organizations by 16%. The total profit of banks decreased by 9.5% over the year.

SB SBERBANK JSC HIGHLIGHTS

(management reporting)

	2019	2020
Assets, RUB bn	358	556
Equity, RUB bn	38	53
Net profit, RUB bn	11.5	10.5
ROE, %	33.0	22.7
ROA, %	3.4	2.3
CIR, %	30.2	30.6
Headcount, '000	4.0	4.1

MARKET POSITION

- 2nd place by assets with a market share of 10.2% (8.2% as of 31 December 2019)
- 2nd place by loan portfolio with a market share of 11.4% (9.8% as of 31 December 2019)
- 2nd place by quality of the loan portfolio among the top 5 banks
- The best credit rating among the 5 largest banks: Fitch BBB-, with a Stable outlook
- Leading position in state mortgage lending programs with a share of 52% (Baspana Hit and 7-20-25)

ACHIEVEMENTS IN 2020

- The most attractive employer in the financial services sector of the Republic of Kazakhstan, according to the international Randstad employee brand research 2020
- Sberbank Online Kazakhstan ranked 2nd in the annual rating of mobile applications by Forbes Kazakhstan
- ALL IN payment card was recognized No. 1 in the nomination Best Card for Everyday Use, according to the rating of the international payment system Visa
- New retail products and services were introduced: online sales of credit cards, online car loans with partners, P2P transfers by telephone number between Kazakhstan and PJSC Sberbank, fast payment service to Tajikistan, Uzbekistan, Kyrgyzstan, MIR card acquiring, E2E online onboarding of retail clients
- Ecosystem services were launched, including Okko subscriptions, non-bank services from SberSolutions (accounting, HR services)
- New corporate products and services were introduced: SoftPOS technology (POS terminal in a smartphone), E2E online loans for individual entrepreneurs, B2B payments using a QR code (together with SmartSatu), integration with the e-Gov portal to ensure online onboarding of individual entrepreneurs

STRATEGY PRIORITIES 2023

- Development of the Retail and Small and Micro Businesses segments
- Digital channel sales and services
- E-commerce and ecosystem development
- IT and AI transformation
- ESG agenda

BPS-SBERBANK OJSC

REPUBLIC OF BELARUS

53

BRANCHES

ACTIVE CLIENTS

39_K

CORPORATE CLIENTS

621_K

RETAIL CLIENTS

ECONOMIC CONDITIONS IN 2020

Unlike other countries, Belarus faced both economic and political shocks at the same time in 2020. The limited financial capacity to support the economy amid the pandemic prompted the country's leadership to abandon the introduction of severe quarantine restrictions. This strategy, together with traditional tools to support domestic demand through public sector enterprises, limited the depth of the recession. Even despite the suspension of oil supplies at the beginning of the year, the GDP fall was 0.9% at the end of 2020. Industrial production shrank by 0.7%, capital investments decreased by 6.8%, freight turnover lost 5.9%. Retail turnover went up by 1.8% due to a 8.2% salary growth y-o-y (January–November 2020).

External and internal shocks led to a surge in demand for foreign currency in the domestic market. In 2020, the population bought cash and non-cash currency in the amount of USD 2 billion, corporates USD 1 billion net.

The political crisis caused serious turbulence in the banking system. Against the backdrop of rapidly growing expectations for the weakening of the Belorussian ruble, the National Bank of the Republic of Belarus (NBRB) had to limit liquidity operations. Interest rates in the credit and deposit market rose, lending in many segments almost stopped.

The Belorussian ruble depreciated by 18% in 2020, with its fall significantly constrained by large-scale NBRB interventions, leading to the gold and foreign exchange reserves for the year contracting by USD 1.9 billion (20.5%) to USD 7.5 billion. The weakening of the national currency, together with rising global food prices, put upward pressures on inflation. Price growth in Belarus gradually accelerated reaching 7.4% y-o-y in December (a record high in the last 4 years).

In 2020, the assets of the banking sector of Belarus grew by 16% (by 5% without revaluation), the loan portfolio rose by 21% and deposits by 5%. The total profit of banks decreased by 13% over the year.

BPS-SBERBANK OJSC GROUP HIGHLIGHTS

(management reporting)¹

	2019	2020
Assets, RUB bn	136	138
Equity, RUB bn	19	20
Net profit, RUB bn	2.6	1.3
ROE, %	12.6	6.3
ROA, %	1.9	0.9
CIR, %	66	62
Headcount, '000	3.7	3.5

MARKET POSITION

- 5th place in the banking market by assets with a market share of 5.6% (6.2% as of 31 December 2019)
- 4th place by corporate loans² with a market share of 5.6% (6.5% as at 31 December 2019)
- 4th place by retail loans³ with a market share of 6.9% (8.3% as of 31 December 2019)

¹ Excluding funded participation transactions

² Including corporate bonds

³ Excluding preferential loans

ACHIEVEMENTS IN 2020

- Winner in the categories Most Responsive Bank, Internet Bank, Mobile Bank for Android Devices; 2nd place in the category People's Rating; 3rd place in the category Mobile Bank for iOS Devices of the Customer Experience competition from infobank.by
- Leader in the nomination Innovation Bank No. 1, winner of awards: Bank of the Year – Best among Large Banks, Contribution to Science, Bank with Foreign Participation as part of the Bank of the Year award
- New retail products and services were introduced: P2P transfers by phone number between BPS and PJSC Sberbank, MIR card acquiring, E2E online onboarding of retail clients, partner program with Lamoda, cobranding DanaCard, sales of COVID insurance
- Ecosystem services were launched: Okko subscriptions, SberPrime
- Alesya, a voice assistant, migrated to a new solution based on the neural network
- New corporate products and services were launched: self-cash collection service without using a card, Counterparty Check service for legal entities
- The transport project was expanded: Apple Express instant payment service in the underground, payment for transport trips using the Tap To Phone technology

STRATEGY PRIORITIES 2023

- Development of Retail Business (with focus on unsecured lending) and the Small and Micro Businesses segment
- Digital channel sales and services
- Partnership and ecosystem development
- IT and AI transformation
- ESG agenda

SBERBANK JSC

UKRAINE

91

BRANCHES

ACTIVE CLIENTS

12_k

CORPORATE CLIENTS

107_k

RETAIL CLIENTS

ECONOMIC CONDITIONS IN 2020

For Ukraine, as for most other countries, 2020 was a year of serious challenges associated with COVID-19. The spread of coronavirus hit economic activity in three ways mostly. The first one is restrictive government measures. Ukraine was the second European country to introduce a lockdown, which helped avoid the severe first wave of the pandemic. The services sector (trade, food services, transport, etc.) was hit the hardest. Second, the export prices and external demand dropped. And third, the amount of money transfers from people working abroad dropped.

At the end of 2020, GDP fell 4.4%, industrial production 5.2% y-o-y, freight turnover 14.3% y-o-y. The country responded to the challenges by creating an anti-crisis fund from which all expenses related to the current crisis were financed. Those expenses mostly pertain to infrastructure construction (roads, etc.). Weak domestic demand and extremely limited budget support for the economy prompted the regulator to quickly lower the refinancing rate. From the beginning of the year, the rate was revised four times, with an aggregate reduction of 7.5 pp to 6%. Inflation in December amounted to 5% y-o-y, accelerating from 2.4% y-o-y as of mid-2020. Falling global energy prices, as well as declining demand for essential goods and services, contained price increases during the pandemic.

The new program of cooperation with IMF helped maintain the level of gold and foreign exchange reserves during large-scale payments to meet foreign exchange obligations and interventions in the foreign exchange market. At the end of December 2020, the international reserves amounted to USD 29 billion (+15%) against USD 25 billion at the beginning of the year. The Ukrainian hryvnia weakened over the year by 16% to UAH 28.3 per US dollar.

SBERBANK JSC HIGHLIGHTS

(management reporting)

	2019	2020
Assets, RUB bn	73	78
Equity, RUB bn	22	25
Net profit, RUB bn	1.1	2.5
ROE, %	6.0	10.7
ROA, %	1.6	3.2
CIR, %	48 ¹	60 ¹
Headcount, '000	1.4	1.2

MARKET POSITION

- Market-leading liquidity and capital adequacy ratios
- IBI-Rating confirmed Sberbank JSC's bank deposit reliability rating at 5+ and credit rating at uaAA+
- The international rating agency Moody's Investors Service raised the bank's long-term rating of foreign currency deposits from Caa1 to B3 with a Stable outlook. The current rating of the bank corresponds to the level of Ukraine's sovereign rating (which was also raised by one notch from Caa1 to B3) and is the maximum possible value for a Ukrainian bank

ACHIEVEMENTS IN 2020

- The bank recorded the largest profit in its history
- Record net commission income for the last 4 years
- Client funds are fully secured with liquid assets
- Mandatory regulatory ratios significantly exceed the established minimum requirements
- New retail products and services were introduced: new design of Sberbank Online, sale of insurance against COVID-19, Shake to Pay transfers, QR-code payments, authorization on public services sites by Bank ID (identical to Sber ID), cross-border P2P transfers between Russia, Ukraine, Belarus and Kazakhstan
- Ecosystem development: online healthcare services, legal advice

STRATEGY PRIORITIES 2023

- Maintaining operating profitability
- Non-credit income growth
- Recovery of distressed assets

¹ CIR is provided excluding real estate revaluation. Taking into account the revaluation, CIR 2019 = 54, CIR 2020 = 60.3%

Sberbank Europe AG

CENTRAL AND EASTERN EUROPE

187

BRANCHES

ACTIVE CLIENTS

75_k

CORPORATE CLIENTS

698_k

RETAIL CLIENTS

ECONOMIC CONDITIONS IN 2020

The eurozone economy contracted 6.6% in 2020 amid the coronavirus pandemic and restrictive measures that suppressed economic activity. Austria's economy fell 6.6% versus an increase of 1.4% in 2019. The services sector was hit the hardest by the crisis, while industrial production and construction did not suffer that much. The economy of Slovenia shrank by 5.5% in 2020. 2019 saw Slovenia's GDP growth reach 3.2%. The unemployment rate in Austria rose to 5.3% in 2020, in Slovenia to 4.9% (compared to 4.5% and 4.4% in 2019). According to Inflation in Austria and Slovenia in 2020 was 1.4% and -0.3% (against 1.5% and 1.7% in 2019, respectively). The slowdown in price growth is primarily due to lower energy prices, as well as weak demand.

The decline in Central and Eastern Europe (CEE) economies was slightly less than in the eurozone. The Czech GDP decreased by 5.6%, the GDP of Hungary by 5.0%. The recession in CEE countries was more associated with a drop in external demand. Significant support for domestic demand was provided by state aid measures aimed, in particular, at preserving jobs. The unemployment rate in Hungary in 2020 amounted to 4.1% (2019: 3.3%), in the Czech Republic to 2.6% (2019: 2%). Inflation in the Czech Republic was 3.3% accelerating compared to 2019 (2.6%). Hungary's inflation rate was 3.4% in 2020, which is comparable to 2019.

In 2020, Serbia's economy declined moderately by 1.0% due to a relatively short period of strict restrictive measures and significant state support aimed at mitigating the effects of the crisis. Inflation at the end of 2020 was 1.8%. Croatia's economy shrank by 8.4% in 2020 amid falling domestic and external demand, including a sharp decline in tourism. It recorded a GDP growth of 2.9% in 2019. Inflation slowed to 0% in 2020 (2019: 0.8%), largely due to a fall in energy prices.

SBERBANK EUROPE AG GROUP HIGHLIGHTS

(management reporting)

	2019	2020
Assets, RUB bn	838	1,174
Equity, RUB bn	104	133
Net profit, RUB bn	2.9	-1.1
ROE, %	2.7	-0.9
ROA, %	0.4	-0.1
CIR, %	77	83
Headcount, '000	4.0	3.9

MARKET POSITION

- Sberbank Europe AG Group is represented by universal subsidiary banks in the Czech Republic, Slovenia, Croatia, Serbia, Hungary, Bosnia and Herzegovina and the Republika Srpska in Bosnia and Herzegovina (Banja Luka), a branch in Germany.

ACHIEVEMENTS IN 2020

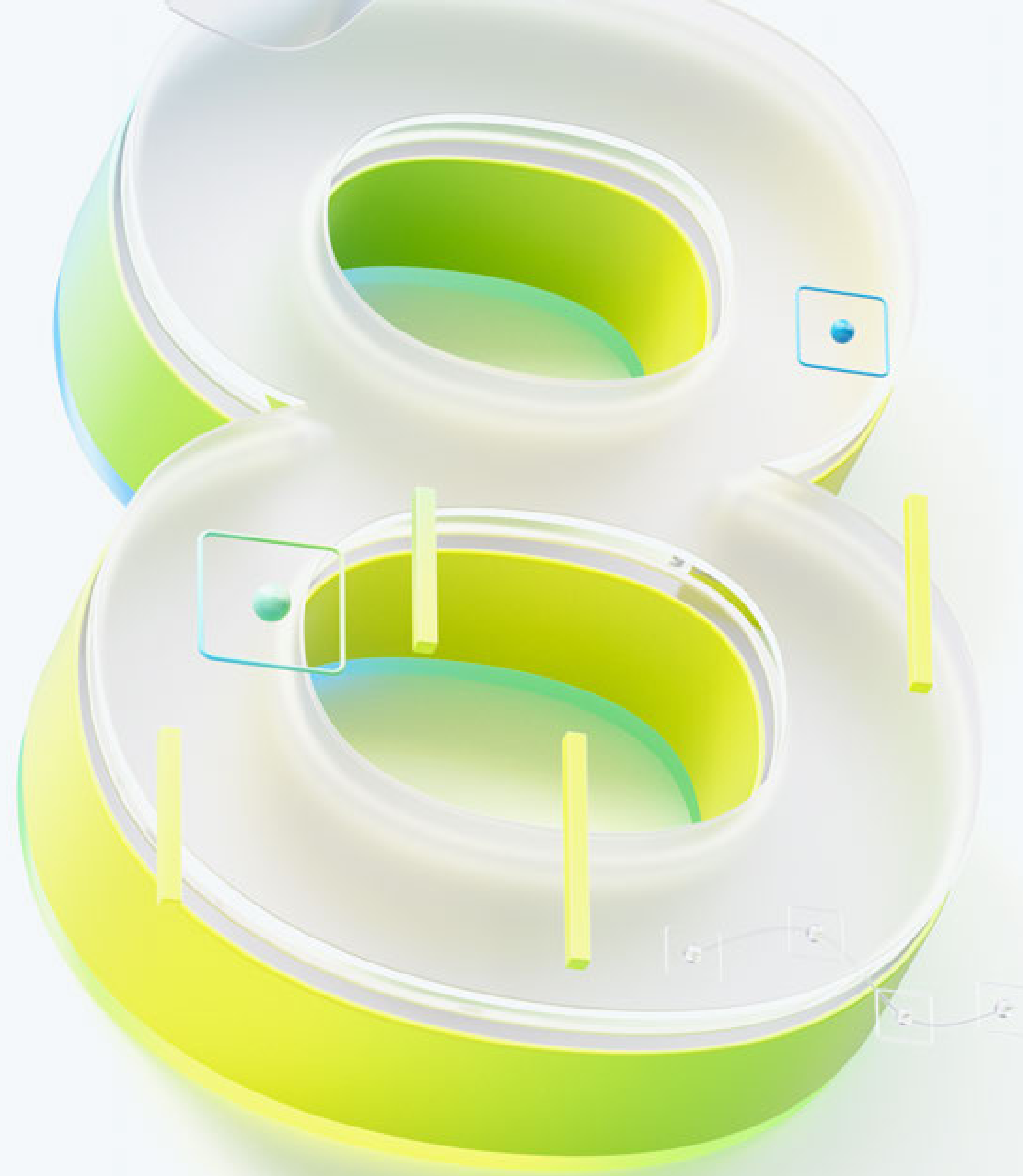
- New products and services were introduced: payment through a mobile application using a QR code (Serbia); biometrics (Croatia); 24/7 self-service areas, self-cash collection function for small and micro businesses (Banja Luka); the technology of pre-approved loans (the Czech Republic); exclusive agreement on loans to clients of dental clinics (Germany)
- In 2018, an online lending project was launched in Germany. In 2020, the amount of online retail loans in Germany increased from EUR 167 million to EUR 404 million (x2.4)
- The international rating agency Fitch Ratings affirmed Sberbank Europe AG's (SBEU) Long Term Issuer Rating (IDR) at BBB- with a Stable outlook.

STRATEGY PRIORITIES 2023

- Development of online retail lending in Germany
- Building a digital business (Digital Bank)
- Improving operational efficiency of Sberbank Europe AG Group

Appendices

- [179](#) Report on Compliance with the Principles and Recommendations of the Corporate Governance Code
- [195](#) Summary Consolidated Financial Statements
- [199](#) List of the Main Subsidiaries and Affiliates of Sberbank
- [208](#) Information on Selected Financial Metrics of the Group Across Jurisdictions
- [210](#) Information on the Financial Position and Performance of the Reportable Segments
- [211](#) Report on related-party transactions entered into by Sberbank in 2020



REPORT ON COMPLIANCE WITH THE PRINCIPLES AND RECOMMENDATIONS OF THE CORPORATE GOVERNANCE CODE

This Report on Compliance with the Principles and Recommendations of the Corporate Governance Code was reviewed by Sberbank's Supervisory Board (hereinafter - the Company, Sberbank) at a meeting held on March 19, 2021, Minutes No. 8.

The Supervisory Board confirms that the data presented in this Report contain a complete and reliable information about Sberbank's compliance with the principles and recommendations of the Corporate Governance Code (hereinafter, the Code) in 2020.

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
1.1	The Company ensures equal and fair treatment of all the shareholders when they exercise their right to participate in the Company's management.			
1.1.1	The Company creates for its shareholders the most favorable conditions possible for participating in a general meeting, working out an evidence-based position on general meeting agenda items and coordinating their activities, and opportunities to express their views on the issues under consideration.	<ol style="list-style-type: none"> There is a publicly available internal document of the Company approved by the general meeting of shareholders regulating the procedures for holding a general meeting. The Company provides an accessible way to communicate with the Company, such as a hot line, email, or online forum, that allows shareholders to express their opinions and send in questions regarding the agenda during the preparation for holding a general meeting. Said steps were taken by the Company before each general meeting held in the reporting period. 	Compliance	
1.1.2	The procedure for notifying about the holding of a general meeting and for providing materials to the general meeting helps shareholders properly prepare for participating in it.	<ol style="list-style-type: none"> Notification on the holding of a general meeting of shareholders is posted (published) on the website no later than 30 days before the date of the general meeting. The notification on the holding of the meeting specifies its location and the documents required for entering the building. Shareholders were provided access to information about who proposed agenda items and nominees to the board of directors and audit commission of the Company. 	Compliance	
1.1.3	In the course of preparing and holding the general meeting, shareholders were able to receive information about the meeting and its related materials freely and in a timely manner, ask questions of the Company's executive bodies and members of its board of directors, and communicate with each other.	<ol style="list-style-type: none"> During the reporting period, shareholders were given the opportunity to ask questions of the Company's executive bodies and board of directors before and during the annual general meeting. The board of directors position (including special opinions recorded in the minutes) on each agenda item of the general meetings conducted in the reporting period was included in the materials for the general meeting of shareholders. The Company provided the duly entitled shareholders with access to the list of persons entitled to participate in the general meeting starting from the date of its receipt by the Company for every general meeting held in the reporting period. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
1.1.4	The exercise of the shareholder right to demand convocation of a general meeting, nominate candidates to management bodies, and propose items to be included in the general meeting agenda did not involve unjustified difficulties.	<ol style="list-style-type: none"> 1. During the reporting period, shareholders had the opportunity within at least 60 days following the end of the respective calendar year to propose items to be included in the agenda of the annual general meeting. 2. During the reporting period, the Company did not reject any proposed agenda items or candidates for the Company's bodies due to typos or other non-material flaws in the shareholder's proposal. 	Compliance	
1.1.5	Each shareholder was able to freely exercise their voting right in a way that is the easiest and most convenient for them.	<ol style="list-style-type: none"> 1. The Company's internal document (internal policy) contains provisions, which entitle every participant of a general meeting to request a copy of their completed ballot certified by the counting commission before the meeting concludes. 	Compliance	
1.1.6	The general meeting procedures established by the Company provide equal opportunity to all persons attending the meeting to express their opinions and ask any questions they want.	<ol style="list-style-type: none"> 1. During the general shareholders meetings held in the reporting period in the form of a meeting (collective attendance of shareholders), sufficient time was provided for reports on agenda items and time to discuss such items. 2. Candidates for the Company's governance and control bodies were available to answer questions asked by shareholders at the meeting where their nominations were voted upon. 3. The board of directors, when making decisions related to the preparation and holding of general meetings of shareholders, discussed the use of telecommunications facilities to provide shareholders with remote access for participation in the general meetings during the reporting period. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
1.2	Shareholders were given an equal and fair opportunity to participate in the Company's profits by receiving dividends.			
1.2.1	The Company has developed and implemented a transparent and clear mechanism for determining the amount of dividends and paying them.	<ol style="list-style-type: none"> The Company's dividend policy has been developed, approved by the board of directors and disclosed. If the Company's dividend policy uses indicators from the Company's reports to determine the amount of dividends, the relevant dividend policy provisions factor in the consolidated indicators of financial statements. 	Compliance	
1.2.2	The Company does not take a decision to pay dividends if such a decision, without constituting a formal violation of the restrictions imposed by law, is economically unreasonable and may result in misconceptions about the Company's activities.	<ol style="list-style-type: none"> The Company's dividend policy explicitly refers to the financial/economic circumstances, in which the Company should not pay dividends. 	Partial compliance	<p>In November 2020, the Supervisory Board approved a new version of the Bank's Dividend Policy for 3 years.</p> <p>The new Dividend Policy established the Bank's desire to maintain the share of dividend payments at the level of 50% of the Bank Group's net profit under IFRS³.</p> <p>The Dividend Policy does not explicitly refer to the circumstances, in which Sberbank should not pay dividends, however, it contains a list of internal and external conditions, which Sberbank should analyze when taking a decision to pay (or not to pay) dividends:</p> <ul style="list-style-type: none"> the availability and amount of net profit determined according to consolidated financial statements of the Bank and its subsidiaries (hereinafter, "the Group") under the International Financial Reporting Standards (IFRS) for the relevant period the Bank's capital requirements in order to implement Sberbank Development Strategy taking into account dividend payments while complying with both the existing and expected provisions of the legislation of the Russian Federation and the requirements of the Bank of Russia and local regulators in the countries of our presence, and Basel Committee recommendations, including the systemic importance and the national counter-cyclical buffers of the Russian Federation added to capital adequacy ratios, the Risk Appetite approved by the Bank's Supervisory Board, and completion of a stress testing procedure according to the Bank of Russia requirements for organization of internal capital adequacy assessment procedures; the ability to maintain the adequacy of the Group's Common Equity Tier 1 calculated under Basel 3.5 based on consolidated IFRS financials of the Group over the medium-term horizon, given a conservative forecast of the Group's business development in the next reporting period, at a level of at least 12.5% after a Bank of Russia mandated systemic importance buffer of no more than 1% the macroeconomic environment, other internal and external developments that have or may have a significant negative impact on the Group's operations in the future, and any force majeure events, including natural disasters or wars maintaining the balance of interests of the Group, Sberbank and its shareholders with due regard for the need to increase the Bank's investment appeal and observe shareholders' rights. <p>In practice, Sberbank is profitable and it adheres to the policy of regular dividend payments on shares. Since Sberbank went public (in 1991), it has been paying dividends to its shareholders annually: in 1991-1993 and 1996-2020 – with money; in 1994 and 1995 – with capitalization of due dividends into new shares.</p> <p>Taking into account the profitable nature of the Bank's activities, the Bank's commitment to the unconditional exercise of the shareholders' right to fair participation in its profits, the Bank's decisions to allocate 50% of the Bank Group's net profit under IFRS, established in the Dividend Policy, for the payment of dividends; the approach regarding compliance with this criterion over the next three years will not be revised.</p>
1.2.3	The Company does not let the dividend rights of existing shareholders deteriorate.	<ol style="list-style-type: none"> During the reporting period, the Company did not take any action leading to deterioration of the dividend rights of existing shareholders. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
1.2.4	The Company is committed to excluding shareholders' use of other ways to make profit (income) at the expense of the Company besides dividends and liquidation value.	1. For the purpose of excluding shareholders' use of other ways to earn profit (income) at the expense of the Company besides dividends and liquidation value, the Company's internal documents establish control mechanisms that ensure timely identification and procedure for approval of transactions with persons affiliated (associated) with substantial shareholders (persons entitled to dispose of votes from voting shares) in cases where the law does not formally recognize such transactions as related party transactions.	Compliance	
1.3	The corporate governance system and its practices ensure equal conditions for all shareholders holding shares of one category (type), including minority (small) shareholders and foreign shareholders, as well as their equal treatment by the Company.			
1.3.1	The Company has created conditions for fair treatment of each shareholder by the Company's management and control bodies, including conditions that prevent major shareholders from abusing minority shareholders.	1. During the reporting period, the procedures for managing potential conflicts of interest with substantial shareholders were effective, and the conflicts between shareholders, if any, were given due attention by the board of directors.	Compliance	
1.3.2	The Company takes no action that leads or may lead to an artificial redistribution of corporate control.	1. Quasi-treasury shares are absent or did not vote during the reporting period.	Compliance	
1.4	Shareholders are provided with reliable and effective methods of accounting for rights to shares, as well as with the possibility for free and unhindered disposal of the shares they hold.			
1.4.1	Shareholders are provided with reliable and effective methods of accounting for rights to shares, as well as with the possibility for free and unhindered disposal of the shares they hold.	1. The quality and reliability of the Company registrar's activities to maintain the register of securities holders meet the needs of the Company and its shareholders.	Compliance	
2.1	The board of directors carries out the Company's strategic management, defines the basic principles and approaches to the Company's risk management and internal control system, controls operations of the Company's executive bodies, and exercises other key functions.			
2.1.1	The board of directors is responsible for making decisions related to appointment to and release from executive body offices, inter alia, due to a failure of such bodies to perform their duties properly. The board of directors also supervises to ensure that the Company's executive bodies act in accordance with the approved development strategy and main lines of the Company's activity.	1. The board of directors has statutory powers to appoint to and release from office, and also to define the contract terms for executive body members. 2. The board of directors has reviewed the report(s) of the sole executive body and the members of the collegial executive body on the Company's strategy implementation.	Compliance	
2.1.2	The board of directors establishes the basic guidelines for the company's activities in the long term, evaluates and approves key performance indicators and core business objectives of the Company, and evaluates and approves the strategy and business plans for the Company's core activities.	1. During the reporting period, the board of directors meetings discussed issues related to the strategy implementation and actualization status, the approval of the Company's financial and economic plan (budget), and the consideration of criteria and indicators (including interim ones) of the Company's strategy and business plan implementation.	Partial compliance	In general, Sberbank complies with the principle in item 2.1.2 by all the specified criteria. However, approval of Sberbank's business plan and budget and monitoring their implementation are in the purview of the Executive Board. This has been a natural distribution of powers as Sberbank is a credit institution with multiple branches and its general business plan and budget are developed by consolidating the business plans and budgets of Sberbank's branches (operating activities) subject to mandatory presentation and defense before the Executive Board of Sberbank. Furthermore, the Executive Board subsequently monitors business plan and budget implementation, in particular using regular reports of heads of Sberbank branches. These functions are assigned to the Executive Board in Sberbank's internal regulatory document Regulation on the Executive Board. The Supervisory Board, on the other hand, regularly receives information about interim implementation metrics of Sberbank's Strategy, business plan and budget for supervision purposes.

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
2.1.3	The board of directors determines the principles of and approaches to the organization of the risk management and internal control system of the Company.	<ol style="list-style-type: none"> The board of directors has determined the principles of and approaches to the organization of the risk management and internal control system of the Company. The board of directors has assessed the risk management and internal control system of the Company during the reporting period. 	Compliance	
2.1.4	The board of directors determines the Company's policy on remuneration and/or expense reimbursement (compensations) for members of the board of directors, executive bodies, and other key executives of the Company.	<ol style="list-style-type: none"> The Company has developed and implemented a policy (policies) approved by the board of directors on remuneration and/or expense reimbursement (compensations) for members of the board of directors, executive bodies, and other key executives of the Company. The issues related to such policy (policies) were examined during the reporting period at the board of directors meetings. 	Compliance	
2.1.5	The board of directors plays a key role in prevention, detection and resolution of internal conflicts between its bodies, shareholders and employees.	<ol style="list-style-type: none"> The board of directors plays a key role in prevention, detection and resolution of internal conflicts. The Company has created a system for identifying transactions associated with conflicts of interest and a system of measures aimed at resolving such conflicts. 	Compliance	
2.1.6	The board of directors plays a key role in ensuring the Company's transparency, the timeliness and completeness of the Company's disclosure of information, and unhindered shareholder access to the Company's documents.	<ol style="list-style-type: none"> The board of directors has approved the regulation on information policy. 	Compliance	
2.1.7	The board of directors oversees the Company's corporate governance practice and plays a key role in the Company's significant corporate events.	<ol style="list-style-type: none"> During the reporting period, the board of directors reviewed the issue of corporate governance practices in the Company. 	Compliance	
2.2	The board of directors is accountable to the Company's shareholders.			
2.2.1	Information about the operations of the board of directors is disclosed and submitted to shareholders.	<ol style="list-style-type: none"> The Company's annual report for the reporting period includes information on the attendance of board of directors and committee meetings by individual directors. 	Compliance	
2.2.2	The chairman of the board of directors is available for communication with the Company's shareholders.	<ol style="list-style-type: none"> The Company has a transparent procedure for shareholders to submit questions and own opinions about them to the chairperson of the board of directors. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
2.3	The board of directors is an effective and professional management body of the Company capable of making objective independent judgments and decisions in the interests of the Company and its shareholders.			
2.3.1	Only people with impeccable business and personal reputation, as well as the knowledge, skills and experience required to make decisions within the competence of the board of directors and to ensure efficient performance of its functions shall be elected to the board of directors.	<ol style="list-style-type: none"> 1. The Company's procedure for assessing the board of directors performance includes, inter alia, assessment of professional qualifications of board of directors members. 2. During the reporting period, the board of directors (or its nomination committee) assessed candidates for the board of directors from the perspective of whether or not they had the requisite experience, knowledge, business reputation, as well as conflicts of interest, etc. 	Compliance	
2.3.2	The members of the board of directors are elected using a transparent procedure that allows shareholders to receive candidate-related information sufficient to provide insight into their personal and professional qualities.	<ol style="list-style-type: none"> 1. In all cases of holding a general shareholders meeting in the reporting period where the agenda included the issue of board of directors elections, the Company submitted to shareholders biographical data on all candidates to the board of directors, results of the assessment of the candidates conducted by the board of directors (or the nomination committee), information on a candidate's compliance with the criteria of independence, in accordance with recommendations 102107 of the Code, and the written consent of the candidates for election to the board of directors. 	Compliance	
2.3.3	The board of directors composition is balanced, inter alia, in terms of the qualifications of its members, their experience, knowledge and business qualities, and enjoys the trust of shareholders.	<ol style="list-style-type: none"> 1. In the course of its performance assessment held in the reporting period, the board of directors analyzed own needs related to professional qualifications, experience and business skills. 	Compliance	
2.3.4	The quantitative composition of the board of directors presents the opportunity to organize its activities in the most efficient manner, including the possibility to form board committees; it also enables substantial minority shareholders of the Company to elect a candidate they vote for to the board of directors.	<ol style="list-style-type: none"> 1. In the course of its performance assessment held in the reporting period, the board of directors examined the issue concerning the quantitative composition of the board of directors meeting the Company's needs and shareholder interests. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
2.4	The board of directors includes an adequate number of independent directors.			
2.4.1	An independent director is a person who has enough professionalism, experience and independence to form his or her own opinion and is able to express unbiased and scrupulous judgments that are not affected by the Company's executive bodies, certain groups of shareholders, or other stakeholders. It should be noted that a candidate (elected to the board of directors) normally cannot be considered independent if he or she is associated with the Company, its major shareholder, contractor or competitor, or with the state.	1. During the reporting period, all independent members of the board of directors met all the independence criteria set forth in recommendations 102107 of the Code or were recognized as independent upon the decision of the board of directors.	Compliance	
2.4.2	Candidates to the board of directors are assessed for compliance with independence criteria; independent members of the board of directors are regularly assessed for compliance with independence criteria. When carrying out this assessment, substance shall take precedence over form.	<ol style="list-style-type: none"> 1. During the reporting period, the board of directors (or its nomination committee) formed an opinion on the independence of each candidate to the board of directors and provided shareholders with the corresponding report. 2. During the reporting period, the board of directors (or its nomination committee) reviewed the independence of existing members of the board of directors, whom the Company states in the annual report as independent directors, at least once. 3. The Company has developed procedures determining the necessary actions of a member of the board of directors if he or she stops being independent, including the obligation to promptly report the fact to the board of directors. 	Compliance	
2.4.3	Independent directors make up at least one-third of the elected board of directors.	1. Independent directors make up at least one-third of the board of directors.	Compliance	
2.4.4	Independent directors play a key role in preventing internal conflicts in the Company and carrying out some of the Company's significant corporate actions.	1. Independent directors (having no conflicts of interest) pre-evaluate significant corporate actions related to a possible conflict of interest and provide the board of directors with the results of this pre-evaluation.	Compliance	
2.5	The chairperson of the board of directors facilitates the most efficient fulfillment of the functions entrusted to the board of directors.			
2.5.1	The chairperson of the board of directors is an independent director, or a senior independent director is determined from among the selected independent directors, who coordinates the work of the independent directors and cooperates with the chairperson of the board of directors.	<ol style="list-style-type: none"> 1. The chairperson of the board of directors is an independent director, or a senior independent director has been determined from among the independent directors⁴. 2. The role, rights and obligations of the chairperson of the board of directors (or the senior independent director, if applicable) are appropriately established in the Company's internal documents. 	Compliance	⁴ The Chairman of the Supervisory Board is a Non-Executive Director (a representative of the majority shareholder). The position of senior independent director has been introduced to reinforce the role of independent directors, coordinate their communication in the course of working out a consolidated opinion when necessary, and to assist the Chairman of the Supervisory Board.
2.5.2	The chairperson of the board of directors maintains a constructive atmosphere during meetings, ensures free discussion of agenda items, and oversees the execution of resolutions passed by the board of directors.	1. The performance of the chairperson of the board of directors was assessed as part of the board of directors performance assessment in the reporting period.	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
2.5.3	The chairperson of the board of directors takes the necessary steps to provide the members of the board of directors in a timely manner with the necessary information to adopt decisions on agenda items.	1. The Company's internal documents establish the obligation of the chairperson of the board of directors to take steps to provide the board of directors in a timely manner with materials on the agenda items of the meeting of the board of directors.	Compliance	
2.6	Members of the board of directors act in the interests of the Company and its shareholders reasonably and in good faith, with due care and discretion, and based on sufficient information.			
2.6.1	Members of the board of directors make decisions based on all the available information, having no conflicts of interest, demonstrating equal treatment towards shareholders of the Company, and in line with usual business risks.	<ol style="list-style-type: none"> 1. The Company's internal documents require members of the board of directors to notify the board of directors if they have a conflict of interest regarding any item on the agenda of a board of directors meeting or a board of directors committee meeting before starting discussion on the relevant agenda item. 2. The Company's internal documents require members of the board of directors to abstain from voting on any issue where they have a conflict of interest. 3. The Company has established a procedure allowing the board of directors to obtain professional advice on issues related to its competence at the expense of the Company. 	Compliance	
2.6.2	The Company's internal documents clearly describe and set forth the rights and obligations of members of the board of directors.	1. The Company has adopted and released an internal document that clearly defines the rights and obligations of members of the board of directors.	Compliance	
2.6.3	Members of the board of directors have enough time to perform their duties.	<ol style="list-style-type: none"> 1. Individual attendance of meetings of the board of directors and its committees and the time allocated for preparing for attending the meetings were taken into account in the board of directors performance assessment in the reporting period. 2. The Company's internal documents require members of the board of directors to notify the board of directors of their intention to become a member of the management bodies of other entities (other than the Company's subsidiaries and dependent entities) and of such an assignment. 	Compliance	
2.6.4	All members of the board of directors have equal opportunities to access the Company's documents and information. Newly elected members of the board of directors are provided with sufficient information about the Company and the activities of the board of directors as soon as possible.	<ol style="list-style-type: none"> 1. The Company's internal documents allow members of the board of directors to obtain access to documents and to make requests concerning the Company and its subsidiaries; the executive bodies of the Company must provide the relevant information and documents. 2. The Company has a formal induction program for newly elected members of the board of directors. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
2.7	Meetings of the board of directors as well as preparation for and participation in them of board of directors members ensure efficient operation of the board of directors.			
2.7.1	Meetings of the board of directors are held as required, taking into account the scale of activities and the challenges the Company faces from time to time.	1. The board of directors held at least six meetings in the reporting year.	Compliance	
2.7.2	The Company's internal documents establish the procedure for preparing and conducting meetings of the board of directors enabling members of the board of directors to properly prepare for them.	1. The Company has approved an internal document defining the procedure for preparing and conducting meetings of the board of directors, which also establishes that notice of the meeting is given at least five days before the date of the meeting.	Compliance	
2.7.3	The form of a board of directors meeting is determined based on the importance of the agenda items. The most important items are reviewed at in-person meetings.	1. The Company's charter or internal documents stipulate that the most important issues (according to the list provided in recommendation 168 of the Code) must be considered at in-person board of directors meetings.	Compliance	
2.7.4	Решения по наиболее важным вопросам деятельности общества принимаются на заседании совета директоров квалифицированным большинством или большинством голосов всех избранных членов совета директоров.	1. The Company's charter stipulates that resolutions on the most important issues stated in recommendation 170 of the Code must be adopted at a board of directors meeting by the qualified majority (no less than three-quarters of the votes) or a majority of votes of all elected members of the board of directors.	Compliance	
2.8	The board of directors establishes committees for preliminary consideration of the most important issues of the Company's activities.			
2.8.1	An audit committee consisting of independent directors has been created for preliminary consideration of issues related to control over the Company's financial and economic activities.	<ol style="list-style-type: none"> 1. The board of directors has established an audit committee consisting solely of independent directors. 2. The Company's internal documents determine the functions of the audit committee, including those described in recommendation 172 of the Code. 3. At least one member of the audit committee, who is an independent director, has experience and knowledge in the preparation, analysis, assessment and audit of accounting (financial) reports. 4. Meetings of the audit committee were held at least once a quarter during the reporting period. 	Partial compliance	<ol style="list-style-type: none"> 1. Partial compliance. Most members of the Audit Committee (four out of five) are Independent Directors. The Audit Committee is chaired by an Independent Director. The described practice is consistent with the Moscow Exchange Listing Rules. However, Sberbank's full compliance with this recommendation largely depends on the majority shareholder's readiness to nominate and elect more Independent Directors to the Supervisory Board of Sberbank as well as its consent in principle for replacing own representatives in the Audit Committee with Independent Directors. 2. Compliance. 3. Compliance. 4. Compliance.
2.8.2	A remunerations committee consisting of independent directors and chaired by an independent director, who is not the chairperson of the board of directors, has been created for preliminary consideration of issues related to the development of efficient and transparent remuneration practices.	<ol style="list-style-type: none"> 1. The board of directors has established a remunerations committee consisting solely of independent directors. 2. The chairperson of the remunerations committee is an independent director who is not the chairman of the board of directors. 3. The Company's internal documents determine the functions of the remunerations committee, including those described in recommendation 180 of the Code. 	Partial compliance	<p>Partial compliance with criteria 1-2. Under the Supervisory Board there is the HR and Remuneration Committee, the functions of which are described in the Regulation on the Committees of the Supervisory Board, in line with the Code recommendations. It is currently impossible to form the HR and Remuneration Committee solely out of Independent Directors. Most members of the Committee (three out of five) are Independent Directors. The Committee is chaired by an Independent Director. The described practice is consistent with the Moscow Exchange Listing Rules. However, Sberbank's full compliance with this recommendation largely depends on the majority shareholder's readiness to nominate and elect more Independent Directors to the Supervisory Board of Sberbank as well as its consent in principle for replacing own representatives in the HR and Remuneration Committee with Independent Directors.</p> <ol style="list-style-type: none"> 3. Compliance.

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
2.8.3	A nomination (HR, appointment) committee with independent directors as the majority of its members has been created for preliminary consideration of issues related to staff planning (succession planning), occupational structure, and the performance of the board of directors.	<ol style="list-style-type: none"> The board of directors has established a nomination committee (or its functions as stated in recommendation 186 of the Code are carried out by another committee⁵) with independent directors as the majority of its members. The Company's internal documents determine the functions of the nomination committee (or the respective committee with combined functions), including those described in recommendation 186 of the Code. 	Partial compliance	<p>Partial compliance with criteria 1-2. There is no separate nomination committee under the Supervisory Board as the functions of this committee are performed by the HR and Remuneration Committee, which combines the roles of a remuneration and a nomination committees. Most members of the HR and Remuneration Committee (three out of five) are Independent Directors. The HR and Remuneration Committee functions are described in the Regulation on the Committees of the Supervisory Board, in line with the Code's recommendations. With the HR and Remuneration Committee combining the roles of a remuneration and a nomination committees, Sberbank has no plans to establish a separate nomination committee.</p>
2.8.4	Given the scale of activities and the risk level, the Company's board of directors has ascertained that the composition of its committees is fully consistent with the Company's goals. Additional committees have been either created or deemed unnecessary (strategy committee, corporate management committee, ethics committee, risk management committee, budget committee, health, safety and environment committee, etc.).	<ol style="list-style-type: none"> During the reporting period, the Company's board of directors considered an issue of whether the composition of its committees is consistent the board of directors objectives and the Company's goals. Additional committees have been either created or deemed unnecessary. 	Compliance	<p>⁶The list of other Committees created under the Supervisory Board:</p> <ul style="list-style-type: none"> Strategic Planning and Sustainable Development Committee; Risk Management Committee Technology Committee
2.8.5	The composition of the committees allows for a holistic discussion on pre-considered issues, taking into account different opinions.	<ol style="list-style-type: none"> The committees of the board of directors are headed by independent directors. The Company's internal documents (policies) include provisions, which allow persons who are not members of the audit committee, the nomination committee, or the remuneration committee to attend committee meetings only if invited by the chairperson of the relevant committee. 	Partial compliance	<ol style="list-style-type: none"> Partial compliance. <p>Currently, four of the five Committees are chaired by independent directors - the Audit Committee, the Human Resources and Remuneration Committee, the Risk Management Committee and the Technology Committee.</p> <p>The Strategic Planning and Sustainable Development Committee is chaired by a non-executive director. Sberbank is in favor of having more Independent Directors on the Supervisory Board, however Sberbank's full compliance with this recommendation largely depends on the majority shareholder's readiness to nominate and elect more Independent Directors to the Supervisory Board of Sberbank.</p> Compliance
2.8.6	Committee chairpersons regularly inform the board of directors and its chairperson on the activities of their committees.	<ol style="list-style-type: none"> During the reporting period, the committee chairpersons regularly report on the activities of their committees to the board of directors. 	Compliance	
2.9	The board of directors provides for a performance quality assessment of the board of directors, its committees and members.			
2.9.1	The performance quality assessment of the board of directors aims to determine how efficient the board of directors, its committees and members are and whether their activities are consistent with the Company's developmental needs, intensify the work of the board of directors, and identify areas for improvement.	<ol style="list-style-type: none"> The self-assessment or external assessment of the board of directors conducted during the reporting period included a performance assessment of committees, individual members of the board of directors, and the board of directors as a whole. 	Compliance	
2.9.2	Performance assessment of the board of directors, its committees and members is carried out regularly at least once a year. An external organization (consultant) is engaged at least once every three years to conduct an independent performance assessment of the board of directors.	<ol style="list-style-type: none"> The company engaged an external organization (consultant) at least once during the last three reporting periods to conduct an independent performance assessment of the board of directors. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
3.1	The Company's corporate secretary ensures efficient ongoing communication with shareholders, coordinates the Company's activities to protect the rights and interests of its shareholders, and supports efficient performance of the board of directors.			
3.1.1	The corporate secretary has an impeccable reputation and sufficient knowledge, experience and qualifications to perform his/her duties and enjoys the trust of shareholders.	<ol style="list-style-type: none"> The Company has adopted and disclosed an internal document, the regulation on the corporate secretary. The Company's website and annual report contain the biography of the corporate secretary with the same level of detail as for members of the board of directors and the executive management of the Company. 	Compliance	
3.1.2	The corporate secretary has sufficient independence from the Company's executive bodies and has the powers and resources to perform his/her duties.	<ol style="list-style-type: none"> The board of directors approves the assignment, dismissal and additional remuneration of the corporate secretary. 	Compliance	
4.1	The amount of remuneration paid by the Company is sufficient to engage, motivate and retain persons with the competences and skills necessary for the Company. Members of the board of directors, executive bodies, and other key executives of the Company are remunerated in accordance with the Company's remuneration policy.			
4.1.1	The amount of remuneration paid by the Company to members of the board of directors, executive bodies and other key executives creates sufficient motivation for their efficient performance, thus allowing the Company to attract and retain competent and qualified specialists. At the same time, the Company avoids excessive remuneration as well as an unreasonably large gap between the remuneration amounts of said officers and the employees of the Company.	<ol style="list-style-type: none"> The Company has adopted an internal document (documents), the remuneration policy (policies), for members of the board of directors, executive bodies and other key executives, which clearly defines approaches to the remuneration of said officers. 	Compliance	
4.1.2	The Company's remuneration policy was developed by the remuneration committee and approved by the board of directors. The board of directors together with the remuneration committee, oversees the introduction and implementation of the remuneration policy in the Company and, if needed, reviews and amends it.	<ol style="list-style-type: none"> During the reporting period, the remuneration committee reviewed the remuneration policy (policies) and its (their) implementation practices and submitted appropriate recommendations to the board of directors where applicable. 	Compliance	
4.1.3	The Company's remuneration policy contains transparent mechanisms for determining the amount of remuneration for members of the board of directors, executive bodies, and other key executives of the Company and regulates all payments, benefits and privileges provided to the said officers.	<ol style="list-style-type: none"> The Company's remuneration policies (policy) contain(s) transparent mechanisms for determining the amount of remuneration for members of the board of directors, executive bodies, and other key executives of the Company and also regulate(s) all payments, benefits and privileges provided to the said officers. 	Compliance	
4.1.4	The Company defines its expense reimbursement (compensation) policy specifying the list of expenses subject to compensation and the service level to which members of the board of directors, executive bodies, and other key executives of the Company are entitled. This policy may be a part of the Company's remuneration policy.	<ol style="list-style-type: none"> The Company's remuneration policy (policies) or other internal documents establish expense compensation rules for members of the board of directors, executive bodies, and other key executives of the Company. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
4.2	The system for remunerating members of the board of directors ensures that financial interests of the directors are more aligned with long-term financial interests of the shareholders.			
4.2.1	The Company pays fixed annual remuneration to the members of the board of directors. The Company does not pay remuneration for participation in individual meetings of the board of directors or its committees. The Company does not use short-term or additional material incentives with members of the board of directors.	1. Fixed annual remuneration was the only monetary remuneration provided to members of the board of directors for their work during the reporting period.	Compliance	
4.2.2	Long-term possession of the Company's shares best facilitates alignment of financial interests of the directors with long-term interests of the shareholders. At the same time, the Company does not make the right to sell shares contingent upon achievement of certain performance indicators, and members of the board of directors do not participate in option programs.	1. If the Company's internal document(s), the remuneration policy (policies), stipulates provision of the Company's shares to members of the board of directors, the Company sets forth and discloses clear rules for shareholding by members of the board of directors aimed at encouraging long-term possession of such shares.	Compliance	
4.2.3	The Company does not provide any additional payments or compensations in cases where the powers of a member of the board of directors are terminated early due to a change of control over the Company or other circumstances.	1. The Company does not provide any additional payments or compensations in cases where the powers of a member of the board of directors are terminated early due to a change of control over the Company or other circumstances.	Compliance	
4.3	The system for remunerating members of executive bodies and other key executives of the Company makes remuneration dependent on the performance results of the Company and their personal contribution to achieving these results.			
4.3.1	Remuneration for members of executive bodies and other key executives is determined in such a way as to ensure a reasonable and justified ratio between the fixed part and the variable part of remuneration, which depends on the Company's performance and the personal (individual) contribution of the employee to the final result.	1. During the reporting period, annual performance indicators approved by the board of directors were used to determine the amount of variable remuneration for members of executive bodies and other key executives of the Company. 2. In the course of the latest assessment of the system for remunerating members of executive bodies and other key executives, the board of directors (remuneration committee) ascertained that the Company used an efficient ratio between the fixed and the variable parts of remuneration. 3. The Company applies a procedure that enables it to return bonuses wrongly obtained by members of executive bodies and other key executives of the Company.	Compliance	
4.3.2	The Company has implemented a long-term incentive program for members of executive bodies and other key executives using Company shares (options or other derivative financial instruments whose underlying asset is Company shares).	1. The Company has implemented a long-term incentive program for members of executive bodies and other key executives using Company shares (financial instruments based on Company shares). 2. The long-term incentive program for members of executive bodies and other key executives stipulates that the right to sell the shares or other financial instruments used in the program may be exercised not sooner than three years after they were provided. At the same time, the right to sell them is contingent upon the Company's achievement of certain performance indicators.	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
4.3.3	The amount of compensation (golden parachute) paid by the Company to members of executive bodies or key executives in the case of early termination of their powers at the initiative of the Company, provided the said officers have not committed any unethical acts, does not exceed double the amount of the fixed part of their annual remuneration.	1. The amount of compensation (golden parachute) paid by the Company to members of executive bodies or key executives during the reporting period in the case of early termination of their powers at the initiative of the Company, provided the said officers have not committed any unethical acts, did not exceed double the amount of the fixed part of their annual remuneration.	Compliance	Compensation to members of executive bodies or key executives in the case of early termination of their powers at the initiative of Sberbank, provided they have not committed any unethical acts, is not applicable. The cases set forth in the Labor Code of the Russian Federation (Russian LC) in relation to the executives of a company and reflected in employment contracts with members of the Executive Board constitute an exception. These cases include: termination of employment contracts due to a change of ownership of the bank (Art. 181 of the Russian LC) or due to a decision to terminate the employment contract made by an authorized management body of the bank, provided the employee has not committed any wrongdoings (Art. 279 of the Russian LC). In the said cases, the Russian LC stipulates that the compensation constitutes at least triple the amount of the average monthly wage of the employee. Employment contracts define the minimum possible size, which is triple the amount. In the 2020 reporting year no such cases occurred.
5.1	The Company has established an efficient risk management and internal control system designed to ensure reasonable confidence in achieving the objectives set before the Company.			
5.1.1	The board of directors has defined principles and approaches to the organization of the Company's risk management and internal control system.	1. The functions of the Company's various management bodies and units in the risk management and internal control system have been clearly defined in the internal documents/relevant policy approved by the board of directors.	Compliance	
5.1.2	The Company's management bodies ensure the creation and maintenance of an efficient risk management and internal control system in the Company.	1. The Company's management bodies have ensured the distribution of functions and powers concerning risk management and internal control between subordinate managers (heads) of units and departments.	Compliance	
5.1.3	The Company's risk management and internal control system ensures an objective, fair and clear vision of the current condition and perspectives of the Company, integral and transparent reporting, and reasonable and admissible risks accepted by the Company.	1. The Company has approved an anti-corruption policy. 2. The Company has established an accessible means of informing the board of directors or its audit committee about violations of the law, internal procedures or the code of ethics of the Company.	Compliance	
5.1.4	The board of directors of the Company takes the measures necessary to ensure that the current risk management and internal control system complies with its organizational principles and approaches defined by the board of directors and functions efficiently.	1. During the reporting period, the board of directors or its audit committee assessed the efficiency of the Company's risk management and internal control system. Information on the main results of the assessment was included in the Company's annual report.	Compliance	
5.2	In order to conduct a systematic independent assessment of the reliability and efficiency of the risk management and internal control system and corporate governance practices, the Company arranges for internal auditing.			
5.2.1	In order to conduct internal auditing, the Company has established a separate structural unit or engaged an independent external organization. The functional and administrative accountability of the internal audit unit is clearly delineated. The internal audit unit functionally reports to the board of directors.	1. In order to conduct internal auditing, the Company has established a separate structural unit functionally reporting to the board of directors or the audit committee or engaged an independent external organization following the same accountability principle.	Compliance	
5.2.2	The internal audit unit assesses the efficiency of the internal control system, the risk management system, and the corporate governance system. The Company applies generally accepted internal auditing standards.	1. During the reporting period, an internal audit provided an assessment of the efficiency of the internal control and risk management system. 2. The Company uses generally accepted approaches to internal control and risk management.	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
6.1	The Company and its activities are transparent to its shareholders, investors and other stakeholders.			
6.1.1	The Company has developed and introduced an information policy that ensures efficient exchange of information between the Company, shareholders, investors, and other stakeholders.	<ol style="list-style-type: none"> The Company's board of directors has approved an information policy based on the Code recommendations. The board of directors (or one of its committees) has considered issues related to the Company's compliance with its information policy at least once during the reporting period. 	Compliance	
6.1.2	The Company discloses information on the system and practice of corporate governance, including details of compliance with the principles and recommendations set forth in the Code.	<ol style="list-style-type: none"> The Company discloses information on its corporate governance system and general corporate governance principles applied in the Company, including on its website. The Company discloses information on the membership of executive bodies and the board of directors, the independence of members of the board and their membership in board of directors committees (as defined in the Code). If there is a person who controls the Company, the latter publishes a memorandum of the controlling person on the plans of such person regarding corporate governance in the Company. 	Compliance	The memorandum will be published if prepared by the controlling person.
6.2	The Company discloses full, relevant and reliable information on the Company in a timely manner so that the Company's shareholders and investors can make informed decisions.			
6.2.1	The Company discloses information in accordance with the principles of regularity, consistency and promptness, as well as accessibility, reliability, fullness and comparability of disclosed data.	<ol style="list-style-type: none"> The Company's information policy sets out approaches and criteria for identifying information that can significantly influence the assessment of the Company and the cost of its securities, as well as procedures for ensuring timely disclosure of such information. If the Company's securities are traded in foreign organized markets, material information is disclosed simultaneously and equivalently in the Russian Federation and in such markets during the reporting year. If foreign shareholders hold a significant number of the Company's shares, during the reporting period information is disclosed both in Russian and in one of the most widespread foreign languages. 	Compliance	
6.2.2	The Company avoids a formal approach to information disclosure and discloses material information on its activities, even if the disclosure of such information is not stipulated by law.	<ol style="list-style-type: none"> During the reporting period, the Company disclosed annual and semiannual financial statements prepared under IFRS. The Company's annual report for the reporting period includes annual financial statements under IFRS, along with the auditor's report. The Company discloses full information on the capital structure as per recommendation 290 of the Code both in the annual report and on its website. 	Compliance	
6.2.3	The annual report, as one of the most important instruments of information exchange with shareholders and other stakeholders, contains information that helps evaluate the Company's performance during the year.	<ol style="list-style-type: none"> The annual report of the Company contains information about the key aspects of its operating activities and financial results. The annual report of the Company contains information about environmental and social aspects of its activities. 	Compliance	

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
6.3	The Company provides information and documents at the request of shareholders in accordance with the principles of equal and easy access.			
6.3.1	Information and documents are provided by the Company at the request of shareholders in accordance with the principles of equal and easy access.	1. The Company's information policy sets out an easy procedure for providing shareholders with access to information, including information about the Company's controlled legal entities, at the shareholders' request.	Compliance	
6.3.2	In providing information to shareholders, the Company ensures a reasonable balance between the interests of certain shareholders and the interests of the Company, which is concerned with the confidentiality of important commercial information that could significantly influence its competitiveness.	1. During the reporting period, the Company did not refuse to satisfy shareholders' information requests or such refusals were reasonable. 2. In cases defined by the Company's Information Policy, shareholders are warned about the confidential nature of information and undertake to keep it in secret.	Compliance	
7.1	Actions which significantly impact or could significantly impact the charter capital structure and financial state of the Company and, consequently, the position of the shareholders (significant corporate actions) are taken in a fair manner, ensuring the observation of the rights and interests of the shareholders and other stakeholders.			
7.1.1	Reorganizing the Company, acquiring 30 percent or more of its voting shares (takeover), performing significant transactions, increasing or decreasing the Company's charter capital, listing or delisting its shares, and other actions that could result in significant changes to the shareholders' rights or violations of their interests are deemed significant corporate actions. The Company's articles of association contains a list (criteria) of transactions or other actions which are significant corporate actions and such matters are reserved to the Company's board of directors.	1. The Company's articles of association contain a list of transactions or other actions which are significant corporate actions and the criteria for defining them. Decision-making on significant corporate actions falls within the competence of the board of directors. In cases when such corporate actions are expressly reserved by law to the general meeting of shareholders, the board of directors provides shareholders with appropriate recommendations. 2. The Company's articles of association recognize at least the following as significant corporate actions: reorganizing the Company, acquiring 30 percent or more of its voting shares (takeover), performing significant transactions, increasing or decreasing the Company's charter capital, and listing and delisting its shares.	Partial compliance	Partial compliance with criteria 1-2. Sberbank's Charter does not contain a list of transactions or actions that are significant nor the criteria for defining them. The list of significant corporate actions is defined in the Sberbank Corporate Governance Code. The following is considered as significant corporate actions: major transactions and transactions with interest; charter capital increase or reduction; listing and delisting of shares; reorganization of the bank; acquisition of 30 or more percent of voting shares by a single shareholder, and other actions that may result in a considerable change in shareholder rights and/or violation of their interests. Decision-making on significant corporate actions is reserved by applicable law and by Sberbank's Charter to the General Meeting of Shareholders or the Supervisory Board. If a matter is reserved to the competence of the Supervisory Board, the decision on the significant corporate actions under Sberbank's Charter is made by the qualified majority of votes (at least three quarters of the votes). The applied approach is currently in line with the needs of the Bank and changing it in the next several years is deemed unfeasible.
7.1.2	The board of directors plays a key role in making decisions or issuing recommendations on significant corporate actions; the board of directors relies on the position of the Company's independent directors.	1. The Company has a procedure for the independent directors to declare their position on significant corporate actions before they are approved.	Compliance	The Supervisory Board plays an important role in making decisions on significant corporate actions. Sberbank's Corporate Governance Code provides for the possibility to establish an ad hoc interim committee under the Supervisory Board for preliminary consideration of issues regarding significant corporate actions.
7.1.3	When performing significant corporate actions related to shareholder rights and legal interests, the Company ensures equal terms for all its shareholders, and if law provides insufficient mechanisms for protecting shareholder rights, the Company takes additional measures to protect shareholder rights and legal interests. In this case, the Company relies both on compliance with the formal requirements of law and the principles of corporate governance set forth in the Code.	1. With due regard to particular aspects of the Company's activities, the articles of association set minimal criteria for classifying the Company's transactions as significant corporate actions which are lower than the criteria established by law. 2. During the reporting period, all significant corporate actions underwent the approval procedure before they were taken.	Partial compliance	Partial compliance with criteria 1-2. Sberbank's Charter does not set minimal criteria for classifying its transactions as significant corporate actions which are lower than the criteria established by law. In terms of significant corporate actions Sberbank acts in line with law and the provisions of its Charter related to decision-making on significant corporate actions by the qualified majority of votes of Supervisory Board members (at least three quarters of the votes), which considerably increases corporate control over transactions and currently meets the needs of Sberbank. Changing the existing approach in the next several years is deemed unfeasible.

NO.	CORPORATE GOVERNANCE PRINCIPLES	CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	STATUS ¹ OF COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES	EXPLANATION ² OF DEVIATIONS FROM THE CRITERIA FOR ASSESSING COMPLIANCE WITH CORPORATE GOVERNANCE PRINCIPLES
7.2	The Company has a procedure for taking significant corporate actions that enables shareholders to obtain full information on such actions in a timely manner and influence them and guarantees that in taking such actions their rights are observed and adequately protected.			
7.2.1	Information on significant corporate actions is disclosed together with the reasons, conditions and results of such actions.	1. During the reporting period, the Company promptly disclosed detailed information on its significant corporate actions, including their grounds and timeframes.	Compliance	
7.2.2	Rules and procedures related to significant corporate actions taken by the Company are defined in its internal documents.	1. The Company's internal documents stipulate a procedure for engaging an independent appraiser to value property alienated or acquired under a major transaction or a related party transaction. 2. The Company's internal documents stipulate a procedure for engaging an independent appraiser to value share acquisition and repurchase. 3. The Company's internal documents stipulate an extended list of grounds for deeming members of its board of directors and other persons specified by law to be parties interested in the Company's transactions.	Compliance	

¹ The status 'compliance' is indicated only if the Company meets all the criteria for assessing compliance with the corporate governance principle. Otherwise the status 'partial compliance' or 'no compliance' is indicated.

² Specified for each criterion for assessing compliance with corporate governance principles where the Company meets only some of the criteria or none of the criteria for assessing compliance with the principle. If the Company indicates the status 'compliance', no explanation is required.

³ Adjusted for interest payments net of tax effects on equity instruments recorded in equity other than shares

⁴ Indicate which of the two alternative approaches permitted by the principle is implemented in the Company and explain why it was chosen.


⁵ If the nomination committee functions are performed by any other committee, please indicate its name.

⁶ Please list all the additionally created committees.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

Prepared from the Audited Consolidated Financial Statements For the year ended 31 December 2020

and Independent Auditor's Report on the Summary Consolidated Financial Statements



Independent Auditor's Report on the Summary Consolidated Financial Statements

To the Shareholders and the Supervisory Board of Sberbank of Russia

Our opinion

In our opinion, the accompanying summary consolidated financial statements of Sberbank of Russia (the "Bank") and its subsidiaries (together – the "Group") are consistent, in all material respects, with the audited consolidated financial statements of the Group for the year ended 31 December 2020, in accordance with the basis described in the footnote to the summary consolidated financial statements.

The summary consolidated financial statements

The summary consolidated financial statements of the Group derived from the audited consolidated financial statements of the Group for the year ended 31 December 2020 comprise:

- the consolidated statement of financial position as at 31 December 2020;
- the consolidated statement of profit or loss for the year then ended;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended; and
- the consolidated statement of cash flows for the year then ended.

The summary consolidated financial statements do not contain all the disclosures required by International Financial Reporting Standards. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon. The audited consolidated financial statements and the summary consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

The audited consolidated financial statements and our report thereon

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 3 March 2021. That report also includes the communication of key audit matters. Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the audited consolidated financial statements of the current period.

Management's responsibility for the summary consolidated financial statements

Management is responsible for the preparation of the summary consolidated financial statements in accordance with the basis described in the footnote to the summary consolidated financial statements.

AD PricewaterhouseCoopers Audit
White Square Office Center, 30 Butynsky Val Moscow, Russian Federation, 125047
T: +7 (495) 967 6000, F: +7 (495) 967 6001, www.pwc.ru



Auditor's responsibility

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing 810 (Revised) Engagements to Report on Summary Financial Statements.

As PricewaterhouseCoopers Audit
11 March 2021
Moscow, Russian Federation



E.N. Kriventsev, certified auditor (certificate number 01-000196)
AD PricewaterhouseCoopers Audit

<p>Audited entity: Sberbank of Russia</p> <p>Record made in the Unified State Register of Legal Entities on 16 August 2002 under State Registration Number 1027702732196</p> <p>Taxpayer Identification Number 7707083893</p> <p>111987 Russian Federation, Moscow, Varshavskaya St.</p>	<p>Independent auditor: AD PricewaterhouseCoopers Audit</p> <p>Registered by the Government Agency Moscow Registration Chamber on 26 February 1992 under number 008 890</p> <p>Record made in the Unified State Register of Legal Entities on 21 August 2002 under State Registration Number 1027702143421</p> <p>Taxpayer Identification Number 7702011102</p> <p>Member of Self-regulatory organization of auditors Association «AuditProfession»</p> <p>Principal Registration Number of the Record in the Register of Auditors and Audit Organizations – 1000020208</p>
--	---

2

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Statement of Financial Position

in billions of Russian Rubles	31 December 2020	31 December 2019
ASSETS		
Cash and cash equivalents	2,376.8	2,083.2
Mandatory cash balances with central banks	279.6	235.5
Due from banks	1,212.3	1,083.2
Loans and advances to customers	23,386.4	20,363.5
Securities	5,624.4	4,163.0
Financial instruments pledged under repurchase agreements	933.0	187.3
Derivative financial assets	313.6	191.9
Investments in associates and joint ventures	140.5	172.3
Deferred tax asset	23.2	14.6
Premises, equipment and right-of-use assets	754.7	695.1
Assets of the disposal groups and non-current assets held for sale	102.4	11.3
Other assets	870.1	756.8
TOTAL ASSETS	36,036.0	29,959.7
LIABILITIES		
Due to banks	1,563.4	770.3
Due to individuals	16,641.0	14,209.6
Due to corporate customers	9,124.7	7,364.8
Debt securities in issue	884.2	729.7
Other borrowed funds	68.0	24.6
Derivative financial liabilities and obligations to deliver securities	374.0	175.8
Deferred tax liability	37.7	30.4
Liabilities of the disposal groups	15.7	—
Other liabilities	1,773.2	1,547.9
Subordinated debt	487.6	613.9
TOTAL LIABILITIES	30,969.5	25,473.0
EQUITY		
Share capital and share premium	320.3	320.3
Perpetual subordinated loan	150.0	—
Treasury shares	(14.4)	(21.5)
Other reserves	213.3	130.3
Retained earnings	4,375.6	4,049.2
Total equity attributable to shareholders of the Bank	5,044.8	4,478.3
Non-controlling interest	1.7	8.4
TOTAL EQUITY	5,046.5	4,486.7
TOTAL LIABILITIES AND EQUITY	36,036.0	29,959.7

Approved for issue and signed on behalf of the Executive Board on 3 March 2021.


Herman Gref,
Chairman of the Executive Board and CEO


Alexandra Buriko,
Senior Vice-President,
Member of the Executive Board

These summary consolidated financial statements of Sberbank of Russia and its subsidiaries (together – the "Group") have been prepared by extraction, without any modification, of the consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flow from the audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards. The summary consolidated financial statements do not contain all the disclosures presented in the audited consolidated financial statements of the Group. For a better understanding of the Group financial position, its financial performance and its cash flow the summary consolidated financial statements should be read in conjunction with the audited consolidated financial statements.

The audited consolidated financial statements of the Group can be obtained from Sberbank of Russia and are available at the website www.sberbank.ru.

1



Consolidated Statement of Profit or Loss

in billions of Russian Rubles	2020	Year ended 31 December 2019
Continuing operations		
Interest income calculated using the effective interest method	2,282.2	2,263.4
Other interest income	137.1	132.8
Interest expense calculated using the effective interest method	(706.4)	(674.2)
Other interest expense	(21.1)	(26.8)
Deposit insurance expenses	(63.6)	(65.5)
Net interest income	1,668.2	1,615.5
Net credit loss allowance charge for debt financial assets	(432.0)	(92.6)
Net interest income after credit loss allowance charge for debt financial assets	1,196.2	1,322.9
Fee and commission income	775.3	688.3
Fee and commission expense	(222.7)	(291.0)
Net losses from non-derivative financial instruments at fair value through profit or loss	(47.7)	(26.4)
Net gains from financial instruments at fair value through other comprehensive income	21.1	8.8
Net gains from derivatives, trading in foreign currencies, foreign-exchange and precious metals accounts translation	61.9	58.0
Net losses arising on initial recognition and modification of financial instruments measured at amortized cost	(45.7)	(2.4)
Net losses from revaluation of office premises	(5.7)	(4.5)
Impairment of non-financial assets	(23.8)	(2.8)
Net charge for other provisions and allowances	(32.3)	(16.7)
Revenue of non-core business activities	55.9	36.9
Cost of sales and other expenses of non-core business activities	(48.6)	(27.9)
Net premiums from insurance and pension fund operations	182.1	216.3
Net claims, benefits, change in contract liabilities and acquisition costs on insurance and pension fund operations	(183.4)	(206.4)
Income from operating lease of equipment	9.8	9.0
Expenses related to equipment leased out	(5.4)	(4.8)
Net share of profit / (loss) of associates / joint ventures	(21.5)	(2.4)
Other net operating income	36.2	16.9
Operating income	1,702.1	1,863.3
Staff and administrative expenses	(759.8)	(734.6)
Profit before tax	942.3	1,128.7
Income tax expense	(190.3)	(221.9)
Profit from continuing operations	751.8	914.8
Profit / (loss) from discontinued operations (attributable to shareholders of the Bank)	8.5	(65.8)
Profit for the year	760.3	845.0
Attributable to:		
- shareholders of the Bank	751.1	844.9
- non-controlling interest	(0.8)	0.1
Earnings per ordinary share based on profit for the year attributable to the shareholders of the Bank, basic and diluted	34.36	38.55
(expressed in RUB per share)		
Earnings per ordinary share based on profit from continuing operations attributable to the shareholders of the Bank, basic and diluted	33.96	41.80
(expressed in RUB per share)		

These summary consolidated financial statements of Sberbank of Russia and its subsidiaries (together – the "Group") have been prepared by extraction, without any modification, of the consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flow from the audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards. The summary consolidated financial statements do not contain all the disclosures presented in the audited consolidated financial statements of the Group. For a better understanding of the Group financial position, its financial performance and its cash flow the summary consolidated financial statements should be read in conjunction with the audited consolidated financial statements.

The audited consolidated financial statements of the Group can be obtained from Sberbank of Russia and are available at the website www.sberbank.ru.

2

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

SBER Consolidated Statement of Comprehensive Income

in billions of Russian Rubles	Year ended 31 December	
	2020	2019
Profit for the year	790.3	845.0
Other comprehensive income:		
Continuing operations		
Items to be reclassified to profit or loss in subsequent periods		
Debt financial instruments measured at fair value through other comprehensive income:		
- Net change in fair value, net of tax	55.8	112.8
- Accumulated gains transferred to profit or loss upon disposal, net of tax	(16.9)	(7.0)
Exchange differences on translating foreign operations	60.2	(24.6)
Share of other comprehensive income of associates and joint ventures	0.5	--
Total other comprehensive income to be reclassified to profit or loss in subsequent periods, net of tax	99.6	81.2
Items that will not be reclassified to profit or loss in subsequent periods		
Revaluation of office premises:		
- Revaluation of office premises, net of tax	(2.9)	(5.2)
- Change in valuation of office premises transferred to other classes of assets, net of tax	(0.2)	(1.1)
Remeasurement of defined benefit pension plans	(0.6)	(0.2)
Total other comprehensive loss that will not be reclassified to profit or loss in subsequent periods	(3.8)	(6.5)
Total other comprehensive income from continuing operations	95.8	74.7
Total other comprehensive loss of discontinued operations to be reclassified to profit or loss upon disposal, net of tax	--	(12.5)
Accumulated losses of discontinued operations transferred to profit or loss upon disposal of discontinued operations, net of tax	--	86.0
Total other comprehensive income	95.8	148.2
Total comprehensive income for the year	886.1	993.2
Attributable to:		
- shareholders of the Bank	856.8	911.1
- non-controlling interest	(0.7)	(0.1)
Total comprehensive income for the year, attributable to shareholders of the Bank from:		
- continuing operations	886.1	993.4
- discontinued operations	0.1	1.7

These summary consolidated financial statements of Sberbank of Russia and its subsidiaries (together - the "Group") have been prepared by extraction, without any modification, of the consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flows from the audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards. The summary consolidated financial statements do not contain all the disclosures presented in the audited consolidated financial statements of the Group. For a better understanding of the Group financial position, its financial performance and its cash flows the summary consolidated financial statements should be read in conjunction with the audited consolidated financial statements.

The audited consolidated financial statements of the Group can be obtained from Sberbank of Russia website available at the website www.sberbank.ru.

SBER Consolidated Statement of Changes in Equity

in billions of Russian Rubles	Attributable to shareholders of the Bank							Non-controlling interest	Total equity
	Share capital	Share premium	Residual subordinated loan	Treasury shares	Other reserves	Retained earnings	Total		
Balance as at 31 December 2018	87.7	200.6	--	(24.3)	(24.9)	6,288.7	1,852.8	8.8	8,809.6
Changes in equity for the year ended 31 December 2019									
Net result from ordinary share transactions	--	--	--	0.6	--	(1.2)	(4.3)	--	(4.9)
Dividends declared	--	--	--	--	--	(268.0)	(268.0)	--	(268.0)
Transfer of revaluation reserve for office premises upon disposal or depreciation	--	--	--	--	14.3	4.2	--	--	18.5
Acquisition of subsidiaries and changes in ownership interest in subsidiaries	--	--	--	--	--	--	(1.2)	6.1	4.9
Recognition of liabilities reserve for losses of non-controlling interest	--	--	--	--	12.0	--	(1.2)	--	10.8
Redistribution of accumulated reserves upon disposal of discontinued operations	--	--	--	--	(0.6)	0.4	--	--	--
Profit for the year	--	--	--	--	--	844.9	844.9	0.1	889.9
Other comprehensive income for the year	--	--	--	--	--	148.2	--	--	148.2
Total comprehensive income for the year	--	--	--	--	--	993.1	844.9	0.1	1,037.1
Balance as at 31 December 2019	87.7	200.6	--	(24.3)	10.3	6,292.2	1,858.8	8.9	8,864.5
Changes in equity for the year ended 31 December 2020									
Net result from ordinary share transactions	--	--	--	1.1	--	(0.8)	0.5	--	0.8
Recognition of perpetual subordinated loan	--	--	100.0	--	--	--	100.0	--	100.0
Interest payments on perpetual subordinated loan	--	--	--	--	--	(5.0)	(5.0)	--	(5.0)
Dividends declared	--	--	--	--	--	(228.0)	(228.0)	--	(228.0)
Transfer of revaluation reserve for office premises upon disposal or depreciation	--	--	--	--	15.0	0.2	--	--	15.2
Acquisition of subsidiaries and changes in ownership interest in subsidiaries	--	--	--	--	--	(11.8)	(11.8)	(0.8)	(13.4)
Recognition of liabilities reserve for losses of non-controlling interest	--	--	--	--	0.8	--	(0.8)	--	--
Profit for the year	--	--	--	--	--	811.1	811.1	(0.8)	810.3
Other comprehensive income for the year	--	--	--	--	--	95.0	--	0.1	95.1
Total comprehensive income for the year	--	--	--	--	--	906.1	811.1	(0.7)	906.4
Balance as at 31 December 2020	87.7	200.6	100.0	(24.3)	10.3	6,275.9	1,868.8	8.2	8,967.5

These summary consolidated financial statements of Sberbank of Russia and its subsidiaries (together - the "Group") have been prepared by extraction, without any modification, of the consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flows from the audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards. The summary consolidated financial statements do not contain all the disclosures presented in the audited consolidated financial statements of the Group. For a better understanding of the Group financial position, its financial performance and its cash flows the summary consolidated financial statements should be read in conjunction with the audited consolidated financial statements.

The audited consolidated financial statements of the Group can be obtained from Sberbank of Russia website available at the website www.sberbank.ru.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS



Consolidated Statement of Cash Flows

<i>in billions of Russian Roubles</i>	Year ended 31 December	
	2020	2019
Cash flows from operating activities		
Interest income calculated using the effective interest method received	2,174.5	2,395.0
Other interest income received	113.0	117.6
Interest expense calculated using the effective interest method paid	(736.9)	(887.5)
Other interest expense paid	(13.9)	(20.7)
Deposit insurance expenses paid	(68.1)	(83.9)
Fees and commissions received	773.3	724.4
Fees and commissions paid	(219.5)	(206.7)
Net gains received on non-derivative financial instruments at fair value through profit or loss	4.1	4.0
Net gains received from financial instruments at fair value through other comprehensive income	21.3	9.3
Dividends received	5.6	2.5
Net gains received on derivatives, trading in foreign currencies and operations with precious metals	42.6	72.6
Revenue received from non-core business activities	78.1	36.5
Expenses paid on non-core business activities	(79.8)	(30.4)
Insurance premiums received	159.8	210.3
Claims, benefits and acquisition costs on insurance operations paid	(52.6)	(41.5)
Pension fund premiums received	20.1	7.6
Claims, benefits and acquisition costs on pension fund operations paid	(9.7)	(12.5)
Income received from operating lease of equipment	9.5	8.2
Expenses paid related to equipment leased out	(0.3)	(0.3)
Other net operating income received / (expenses paid)	25.6	(7.0)
Staff and administrative expenses paid	(674.6)	(651.6)
Income tax paid	(175.6)	(246.0)
Cash flows from operating activities before changes in operating assets and liabilities	1,396.5	1,399.9
Changes in operating assets and liabilities		
Net increase in mandatory cash balances with central banks	(35.4)	(48.8)
Net decrease in due from banks	(81.4)	435.0
Net increase in loans and advances to customers	(2,637.8)	(1,522.3)
Net increase in securities and financial instruments pledged under repurchase agreements	(1,886.2)	(674.2)
Net decrease in derivative financial assets	0.4	0.2
Net (increase) / decrease in other assets	(40.6)	3.0
Net increase / (decrease) in due to banks	745.6	(308.4)
Net increase in due to individuals	1,992.0	1,015.3
Net increase in due to corporate customers	922.7	328.6
Net increase / (decrease) in debt securities in issue	211.6	(44.7)
Net decrease in other borrowed funds	1.2	(46.8)
Net increase in obligations to deliver securities	23.5	2.3
Net increase / (decrease) in other liabilities	51.8	(6.3)
Net cash from operating activities	663.9	532.8

These summary consolidated financial statements of Sberbank of Russia and its subsidiaries (together – the "Group") have been prepared by extraction, without any modification, of the consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flows from the audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards. The summary consolidated financial statements do not contain all the disclosures presented in the audited consolidated financial statements of the Group. For a better understanding of the Group financial position, its financial performance and its cash flows the summary consolidated financial statements should be read in conjunction with the audited consolidated financial statements.

The audited consolidated financial statements of the Group can be obtained from Sberbank of Russia and are available at the website www.sberbank.com.

5



Consolidated Statement of Cash Flows (continued)

<i>in billions of Russian Roubles</i>	Year ended 31 December	
	2020	2019
Cash flows from investing activities		
Proceeds from disposal of discontinued operations, net of cash and cash equivalents disposed of	—	(11.4)
Acquisition of premises, equipment and intangible assets	(164.1)	(205.8)
Proceeds from disposal of premises, equipment and intangible assets	44.6	20.0
Acquisition of investment property	—	(0.1)
Proceeds from disposal of investment property	1.1	2.5
Acquisition of associates and joint ventures	(15.9)	(65.3)
Proceeds from disposal of associates and joint ventures	39.9	8.4
Acquisition of subsidiaries net of cash and cash equivalents acquired	(10.1)	(3.0)
Proceeds from disposal of subsidiaries, net of cash and cash equivalents disposed of	0.1	7.4
Net cash used in investing activities	(104.4)	(247.3)
Cash flows from financing activities		
Funds received from subordinated debt issued or reissued	9.9	5.6
Redemption of subordinated debt	(21.9)	(68.6)
Cash received from non-controlling shareholders	0.7	—
Acquisition of non-controlling interests in subsidiaries	(3.0)	(3.3)
Purchase of treasury shares	(203.1)	(342.2)
Proceeds from disposal of treasury shares	209.4	337.7
Cash outflow to settle principal amount of lease liabilities	(16.1)	(13.2)
Dividends paid	(421.2)	(358.6)
Interest on perpetual subordinated loan paid	(5.2)	—
Net cash used in financing activities	(450.5)	(442.6)
Effect of exchange rate changes on cash and cash equivalents	184.6	(128.1)
Net increase / (decrease) in cash and cash equivalents	293.6	(285.2)
Cash and cash equivalents of discontinued operations at the beginning of the year	—	269.6
Cash and cash equivalents of continuing operations at the beginning of the year	2,083.2	2,098.8
Cash and cash equivalents of continuing operations at the end of the year	2,376.8	2,083.2

These summary consolidated financial statements of Sberbank of Russia and its subsidiaries (together – the "Group") have been prepared by extraction, without any modification, of the consolidated statements of financial position, profit or loss, comprehensive income, changes in equity and cash flows from the audited consolidated financial statements of the Group prepared in accordance with International Financial Reporting Standards. The summary consolidated financial statements do not contain all the disclosures presented in the audited consolidated financial statements of the Group. For a better understanding of the Group financial position, its financial performance and its cash flows the summary consolidated financial statements should be read in conjunction with the audited consolidated financial statements.

The audited consolidated financial statements of the Group can be obtained from Sberbank of Russia and are available at the website www.sberbank.com.

6

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

Nº	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
1	Aukcion LLC	Russian Federation	Russian Federation	100.00%
2	Most LLC	Russian Federation	Russian Federation	47.50%
3	Medexpert Plus LLC	Russian Federation	Russian Federation	100.00%
4	Kiparis 2 LLC	Russian Federation	Russian Federation	100.00%
5	Moscow Municipal Golf Club LLC	Russian Federation	Russian Federation	100.00%
6	Special Technologies of Control LLC	Russian Federation	Russian Federation	100.00%
7	GARANT-SV LLC	Russian Federation	Russian Federation	100.00%
8	GORIZONT-SERVIS LLC	Russian Federation	Russian Federation	100.00%
9	GAMMA-S LLC	Russian Federation	Russian Federation	100.00%
10	SB Development LLC	Russian Federation	Russian Federation	100.00%
11	Safe information zone LLC	Russian Federation	Russian Federation	100.00%
12	Sberbank Capital LLC	Russian Federation	Russian Federation	100.00%
13	Sberbank Leasing JSC	Russian Federation	Russian Federation	100.00%
14	SB LEASING IRELAND LIMITED	Ireland	Russian Federation	100.00%
15	Nord JSC	Russian Federation	Russian Federation	100.00%
16	SberAutoPark LLC	Russian Federation	Russian Federation	100.00%
17	Sberbank Leasing Kazakhstan LLP	Republic of Kazakhstan	Republic of Kazakhstan	100.00%
18	SB JSC Sberbank	Republic of Kazakhstan	Republic of Kazakhstan	100.00%
19	SBERBANK JSC	Ukraine	Ukraine	100.00%
20	BPSSberbank OJSC	Republic of Belarus	Republic of Belarus	98.43%
21	BPS Leasing CJSC	Republic of Belarus	Republic of Belarus	98.43%
22	Sberbank – Automated Trading System CJSC	Russian Federation	Russian Federation	100.00%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

№	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
23	Sovremennye Tekhnologii LLC	Russian Federation	Russian Federation	100.00%
24	SovTekh Sibir LLC	Russian Federation	Russian Federation	49.00%
25	SovTekh Severo-Zapad LLC	Russian Federation	Russian Federation	49.00%
26	Registrar Company Status JSC	Russian Federation	Russian Federation	42.53%
27	United Credit Bureau CJSC	Russian Federation	Russian Federation	50.00%
28	Promising Investments LLC	Russian Federation	Russian Federation	100.00%
29	RublevoArchangelskoe JSC	Russian Federation	Russian Federation	100.00%
30	Smart Construction LLC	Russian Federation	Russian Federation	100.00%
31	Sberbank Financial Company LLC	Russian Federation	Russian Federation	100.00%
32	Market Depository LLC	Russian Federation	Russian Federation	51.00%
33	Settlement decisions JSC (Universal Electronic Card JSC)	Russian Federation	Russian Federation	100.00%
34	Regional Information Centre	Russian Federation	Russian Federation	51.00%
35	Regional Unified Information and Settlement Centre JSC	Russian Federation	Russian Federation	51.00%
36	Regional Information Centre of the Kirov Region JSC	Russian Federation	Russian Federation	49.00%
37	Unified Information and Settlement Centre of the Kaluga Region JSC	Russian Federation	Russian Federation	51.00%
38	NCO Settlement decisions LLC (NCO Universal Electronic Card LLC)	Russian Federation	Russian Federation	100.00%
39	Universal Electronic Card of the Irkutsk Region JSC	Russian Federation	Russian Federation	51.00%
40	Unified Settlement Centre of Mari El Republic JSC	Russian Federation	Russian Federation	49.00%
41	Sber Troika LLC	Russian Federation	Russian Federation	49.00%
42	Sotsialnye Garantii JSC	Russian Federation	Russian Federation	49.87%
43	Unified Billing and Processing Centre of Khanty-Mansi Autonomous Okrug - Yugra JSC	Russian Federation	Russian Federation	74.90%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

Nº	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
44	Regional Information and Settlement Centre JSC	Russian Federation	Russian Federation	50.00%
45	Strategy Partners Group JSC	Russian Federation	Russian Federation	98.99%
46	Sberbank Investments LLC	Russian Federation	Russian Federation	100.00%
47	SBERBANK INVESTMENTS LIMITED	Republic of Cyprus	Russian Federation	100.00%
48	Sberbank Finance Limited	Republic of Cyprus	Russian Federation	100.00%
49	Sberbank Technologies JSC	Russian Federation	Russian Federation	100.00%
50	Loyalty Programmes Centre JSC	Russian Federation	Russian Federation	100.00%
51	SB CIB Holding LLC (Bylinnye Bogatyry LLC)	Russian Federation	Russian Federation	100.00%
52	SB Finance Holding LLC (SIB Financial Broker LLC)	Russian Federation	Russian Federation	100.00%
53	Sber Trading Swiss AG	Swiss Confederation	Swiss Confederation	100.00%
54	Sberbank CIB USA. Inc.	USA	USA	100.00%
55	SBGB Cyprus Limited	Republic of Cyprus	Russian Federation	100.00%
56	Sberbank CIB (UK) Limited	United Kingdom of Great Britain and Northern Ireland	United Kingdom of Great Britain and Northern Ireland	100.00%
57	SA&PM (Cyprus) Limited (TDAM)	Republic of Cyprus	Russian Federation	100.00%
58	SIB (CYPRUS) Limited	Republic of Cyprus	Russian Federation	100.00%
59	Troika Capital Partners Limited (Cyprus)	Republic of Cyprus	Russian Federation	100.00%
60	Arimero Holding Limited	Republic of Cyprus	Russian Federation	100.00%
61	Formovochnye Avtomaty LLC	Russian Federation	Russian Federation	100.00%
62	Format-Neva LLC	Russian Federation	Russian Federation	100.00%
63	PF LAGOM CJSC	Russian Federation	Russian Federation	100.00%
64	Khochtovary LLC	Russian Federation	Russian Federation	100.00%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

Nº	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
65	Binotek LLC	Russian Federation	Russian Federation	100.00%
66	Lagom-Ural LLC	Russian Federation	Russian Federation	100.00%
67	SMG Plastic LLC	Russian Federation	Russian Federation	100.00%
68	Sabon LLC	Russian Federation	Russian Federation	100.00%
69	Sategor CJSC	Russian Federation	Russian Federation	100.00%
70	Sberbank CIB JSC	Russian Federation	Russian Federation	100.00%
71	SB Raw Materials Trading LLC	Russian Federation	Russian Federation	100.00%
72	SIB FINANCIAL CONSULTANT JSC	Russian Federation	Russian Federation	100.00%
73	SB Prosperity LLC (Bogatyrskaya TROIKA LLC)	Russian Federation	Russian Federation	100.00%
74	Sber Real Estate Funds LLC	Russian Federation	Russian Federation	100.00%
75	TD SOFT LLC	Russian Federation	Russian Federation	100.00%
76	Sber Asset Management JSC	Russian Federation	Russian Federation	100.00%
77	Sberbank (Switzerland) AG	Swiss Confederation	Swiss Confederation	99.82%
78	Insurance company Sberbank insurance life LLC	Russian Federation	Russian Federation	100.00%
79	Sberbank Europe AG	Republic of Austria	Republic of Austria	100.00%
80	SBERBANK BH D.D.	Bosnia and Herzegovina	Bosnia and Herzegovina	100.00%
81	SBERBANK A.D. BANJA LUKA	Bosnia and Herzegovina	Bosnia and Herzegovina	100.00%
82	SBERBANK D.D.	Republic of Croatia	Republic of Croatia	100.00%
83	Sberbank Srbija A.D.	Republic of Serbia	Republic of Serbia	100.00%
84	"SUPER KARTICA" d.o.o. Beograd	Republic of Serbia	Republic of Serbia	33.00%
85	SBERBANK Banka d.d.	Republic of Slovenia	Republic of Slovenia	99.99%
86	Privatinvest d.o.o.	Republic of Slovenia	Republic of Slovenia	99.99%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

№	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
87	SBERBANK CZ. A.S.	Czech Republic	Czech Republic	100.00%
88	Sberbank Magyarország Zrt (MAGYARORSZAGI VOLKSBANK RT.)	Hungary	Hungary	98.93%
89	SBAG IT-Services GmbH	Republic of Austria	Republic of Austria	100.00%
90	ALB EDV-Service GmbH	Republic of Austria	Republic of Austria	100.00%
91	Pronam Nekretnine d.o.o. (Sberbank Nekretnine d.o.o.)	Republic of Croatia	Republic of Croatia	100.00%
92	KORUS Consulting CIS LLC	Russian Federation	Russian Federation	100.00%
93	Digital solutions of regions LLC	Russian Federation	Russian Federation	100.00%
94	Zavtra LLC	Russian Federation	Russian Federation	100.00%
95	Micro-credit company Vidayuchiesya kredity LLC	Russian Federation	Russian Federation	100.00%
96	Sberbank Factoring LLC	Russian Federation	Russian Federation	100.00%
97	Delovaya Sreda JSC	Russian Federation	Russian Federation	100.00%
98	Cetelem Bank LLC	Russian Federation	Russian Federation	100.00%
99	SB Securities S.A.	Grand Duchy of Luxembourg	Grand Duchy of Luxembourg	100.00%
100	ActiveBusinessConsult LLC	Russian Federation	Russian Federation	100.00%
101	YouMoney LLC	Russian Federation	Russian Federation	100.00%
102	Non-Banking Credit Institution YouMoney LLC	Russian Federation	Russian Federation	100.00%
103	Sberbank Service LLC	Russian Federation	Russian Federation	100.00%
104	SB Capital S.A.	Grand Duchy of Luxembourg	Grand Duchy of Luxembourg	0.00%
105	Nonstate Pension Fund of Sberbank JSC	Russian Federation	Russian Federation	100.00%
106	Insurance company Sberbank insurance LLC	Russian Federation	Russian Federation	100.00%
107	Sberbank Insurance Broker LLC	Russian Federation	Russian Federation	100.00%
108	Professional consultant LLC	Russian Federation	Russian Federation	100.00%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

Nº	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
109	RuTarget LLC	Russian Federation	Russian Federation	100.00%
110	Sberbank Real Estate Centre LLC	Russian Federation	Russian Federation	100.00%
111	Digital Technologies LLC	Russian Federation	Russian Federation	100.00%
112	Sportme LLC	Russian Federation	Russian Federation	30.00%
113	Payzakiat LLC	Russian Federation	Russian Federation	25.00%
114	EVOTOR LLC	Russian Federation	Russian Federation	68.57%
115	EVOTOR OFD LLC	Russian Federation	Russian Federation	48.00%
116	Digital Assets LLC	Russian Federation	Russian Federation	100.00%
117	Sber Services LLC	Russian Federation	Russian Federation	100.00%
118	Zvuk LLC	Russian Federation	Russian Federation	100.00%
119	INSTAMART HOLDING LTD.	Republic of Cyprus	Russian Federation	37.94%
120	DublGIS LLC	Russian Federation	Russian Federation	71.94%
121	DG-Soft LLC	Russian Federation	Russian Federation	71.94%
122	Sbermedii LLC	Russian Federation	Russian Federation	100.00%
123	Soyuzmultfilm LLC	Russian Federation	Russian Federation	80.00%
124	Digital Resources LLC	Russian Federation	Russian Federation	100.00%
125	Icard LLC	Russian Federation	Russian Federation	100.00%
126	O2O Holding LLC	Russian Federation	Russian Federation	49.90%
127	MF Technologies JSC	Russian Federation	Russian Federation	36.00%
128	Cognitive B.V.	the Netherlands	Russian Federation and other countries	30.00%
129	Digital Platform Decisions LLC	Russian Federation	Russian Federation	50.10%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

Nº	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
130	SberDevices LLC	Russian Federation	Russian Federation	100.00%
131	SBERDEVICES TECHNOLOGIES (SHENZHEN) CO LTD	People's Republic of China	People's Republic of China	100.00%
132	SberAuto LLC	Russian Federation	Russian Federation	100.00%
133	Epokha Digital LLC	Russian Federation	Russian Federation	100.00%
134	Development Laboratory LLC	Russian Federation	Russian Federation	100.00%
135	OKKO LLC	Russian Federation	Russian Federation	100.00%
136	Hudojestvennyi JSC	Russian Federation	Russian Federation	100.00%
137	Rambler Internet Holding LLC	Russian Federation	Russian Federation	100.00%
138	Afisha Company LLC	Russian Federation	Russian Federation	100.00%
139	RCO LLC	Russian Federation	Russian Federation	51.00%
140	OKKO SPORT LLC	Russian Federation	Russian Federation	100.00%
141	Kinofon LLC	Russian Federation	Russian Federation	100.00%
142	Rambler BC LLC	Russian Federation	Russian Federation	100.00%
143	Rambler DC LLC	Russian Federation	Russian Federation	100.00%
144	Kinoplan LLC	Russian Federation	Russian Federation	37.50%
145	Eda.ru LLC	Russian Federation	Russian Federation	100.00%
146	ORD LLC	Russian Federation	Russian Federation	100.00%
147	Advertising Agency Index 20 LLC	Russian Federation	Russian Federation	100.00%
148	Este-Agro LLC	Russian Federation	Russian Federation	100.00%
149	Express Parcel Service LLC	Russian Federation	Russian Federation	100.00%
150	Centre of Speech Technologies LLC	Russian Federation	Russian Federation	51.00%
151	CRT-Innovations LLC	Russian Federation	Russian Federation	51.00%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

№	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
152	CRT-Biometrics LLC	Russian Federation	Russian Federation	51.00%
153	CRT-Soft LLC	Russian Federation	Russian Federation	12.75%
154	SberLogistics LLC	Russian Federation	Russian Federation	100.00%
155	Job.ru JSC	Russian Federation	Russian Federation	100.00%
156	RDV-Soft LLC	Russian Federation	Russian Federation	100.00%
157	Media OnLine LLC	Russian Federation	Russian Federation	100.00%
158	S-Marketing LLC	Russian Federation	Russian Federation	100.00%
159	Intercomp JSC	Russian Federation	Russian Federation	100.00%
160	SberDecisions LLC	Russian Federation	Russian Federation	100.00%
161	VisionLabs B.V.	Russian Federation	Russian Federation	25.07%
162	Dialog LLC	Russian Federation	Russian Federation	60.00%
163	Technologies of Industry Transformation LLC	Russian Federation	Russian Federation	100.00%
164	Cloud Technologies LLC	Russian Federation	Russian Federation	100.00%
165	Sberbank-Telecom LLC	Russian Federation	Russian Federation	100.00%
166	Segmento LLC	Russian Federation	Russian Federation	50.00%
167	Natiaco Holding Limited	Republic of Cyprus	Russian Federation	82.65%
168	DocDoc LLC	Russian Federation	Russian Federation	82.65%
169	DocDoc Territory of Health LLC	Russian Federation	Russian Federation	82.56%
170	Innovation Medicine LLC	Russian Federation	Russian Federation	82.48%
171	Innovation Services LLC	Russian Federation	Russian Federation	82.65%
172	MedCenterPlus LLC	Russian Federation	Russian Federation	82.65%
173	SB Structured Issuance B.V.	the Netherlands	the Netherlands	0.00%

LIST OF THE MAIN SUBSIDIARIES AND AFFILIATES OF SBERBANK

Nº	NAME	COUNTRY OF REGISTRATION	COUNTRY OF BUSINESS	CUMULATIVE INTEREST FROM THE POINT OF VIEW OF THE GROUP
174	IKS JSC	Russian Federation	Russian Federation	100.00%
175	Centre of bankruptcy technologies LLC	Russian Federation	Russian Federation	60.00%
176	Lending technologies LLC	Russian Federation	Russian Federation	100.00%
177	Sber Legal LLC	Russian Federation	Russian Federation	100.00%
178	Barus LLC	Russian Federation	Russian Federation	100.00%
179	Greenwich LLC	Russian Federation	Russian Federation	100.00%
180	Avangard LLC	Russian Federation	Russian Federation	100.00%
181	Manjerok All-Union Resort JSC	Russian Federation	Russian Federation	100.00%
182	Delta Plus LLC	Russian Federation	Russian Federation	100.00%
183	SBD LLC	Russian Federation	Russian Federation	100.00%
184	Fortenova Group TopCO B.V.	the Netherlands	countries of Central Europe	40.62%
185	Imunnotechnologies LLC	Russian Federation	Russian Federation	100.00%
186	GFI INVESTMENTS LIMITED	Republic of Cyprus	Russian Federation	100.00%

INFORMATION ON SELECTED FINANCIAL METRICS OF THE GROUP ACROSS JURISDICTIONS FOR THE YEAR ENDED 31 DECEMBER 2020

RUB BLN	JURISDICTION OF SUBSIDIARY															TOTAL BEFORE EFFECT OF INTERCOMPANY OPERATIONS	NET EFFECT OF INTERCOMPANY OPERATIONS AND CONSOLIDATION ADJUSTMENTS	TOTAL	
	RUSSIAN FEDERATION	AUSTRIA	BELARUS	BOSNIA AND HERZEGOVINA	CROATIA	CYPRUS AND OTHER JURISDICTIONS	CZECH REPUBLIC	UNITED KINGDOM	SWITZERLAND	HUNGARY	IRELAND	KAZAKHSTAN	SERBIA	SLOVENIA	UKRAINE				USA
Net interest income	1,572.5	1.8	5.4	3.0	2.9	3.2	4.9	-	2.6	2.5	(3.9)	21.3	2.6	2.4	4.6	-	1,625.8	(17.6)	1,608.2
Net provision charge for impairment of debt financial assets	(412.6)	1.6	(2.0)	(1.3)	(0.9)	(3.1)	(1.6)	-	(1.0)	(0.7)	(0.9)	(8.5)	(1.3)	(0.8)	1.0	-	(432.1)	20.1	(412.0)
Net fee and comission income	582.2	0.4	4.7	1.3	0.7	(0.1)	0.9	0.5	1.3	1.8	-	7.6	1.2	1.0	1.2	0.1	604.7	(52.1)	552.6
Net other operating income	43.9	(2.9)	0.4	0.3	(0.5)	(16.5)	0.4	2.8	1.8	-	5.5	1.4	0.1	-	0.4	0.2	37.1	(83.8)	(46.7)
Operating income	1,786.0	0.9	8.5	3.3	2.2	(16.5)	4.6	3.3	4.7	3.6	0.7	21.8	2.6	2.6	7.2	0.3	1,835.5	(133.4)	1,702.1
Operating expenses	(730.0)	(6.4)	(6.7)	(2.8)	(2.4)	(0.9)	(4.6)	(2.8)	(3.7)	(3.8)	(0.1)	(9.9)	(2.3)	(2.5)	(3.9)	(0.1)	(782.8)	23.0	(759.8)
Profit/(loss) before tax	1,056.0	(5.5)	1.8	0.5	(0.2)	(17.4)	-	0.5	1.0	(0.2)	0.6	11.9	0.3	0.1	3.3	0.2	1,052.7	(110.4)	942.3
Income tax expense	(187.5)	(0.2)	(0.4)	(0.2)	(0.1)	(1.1)	-	-	-	(0.1)	(0.1)	(2.2)	-	(0.1)	-	-	(192.0)	1.5	(190.5)
Net profit/(loss) from continuing operations	868.5	(5.7)	1.4	0.3	(0.3)	(18.5)	-	0.5	1.0	(0.3)	0.5	9.7	0.3	(0.0)	3.3	0.2	860.7	(108.9)	751.8
Net profit/(loss) from discontinued operations	2.7	-	-	-	-	(7.9)	-	-	(10.1)	-	-	-	-	-	-	-	(15.3)	23.8	8.5
Net profit/(loss)	871.2	(5.7)	1.4	0.3	(0.3)	(26.4)	-	0.5	(9.1)	(0.3)	0.5	9.7	0.3	(0.0)	3.3	0.2	845.4	(85.1)	760.3
Capital expenditures	155.1	0.3	0.5	0.3	0.5	-	0.5	0.1	0.4	1.0	-	2.3	0.1	0.1	0.7	-	161.9	-	161.9

INFORMATION ON SELECTED FINANCIAL METRICS OF THE GROUP ACROSS JURISDICTIONS FOR THE YEAR ENDED 31 DECEMBER 2019

RUB BLN	JURISDICTION OF SUBSIDIARY																TOTAL BEFORE EFFECT OF INTERCOMPANY OPERATIONS	NET EFFECT OF INTERCOMPANY OPERATIONS AND CONSOLIDATION ADJUSTMENTS	TOTAL	
	RUSSIAN FEDERATION	AUSTRIA	BELARUS	BOSNIA AND HERZEGOVINA	CROATIA	CYPRUS AND OTHER JURISDICTIONS	CZECH REPUBLIC	UNITED KINGDOM	SWITZERLAND	HUNGARY	IRELAND	KAZAKHSTAN	SERBIA	SLOVENIA	TURKEY	UKRAINE				USA
Net interest income	1,377.5	1.6	5.0	2.5	2.6	4.7	5.1	-	1.1	2.1	(4.3)	17.8	2.3	2.4	-	7.0	-	1,427.4	(11.9)	1,415.5
Net provision charge for impairment of debt financial assets	(98.0)	0.2	0.1	(0.7)	(0.3)	1.4	(0.9)	-	(0.1)	(0.2)	(0.1)	(4.3)	(0.8)	(0.2)	-	(2.6)	-	(106.5)	13.9	(92.6)
Net fee and comission income	543.1	0.5	4.2	1.2	0.7	(0.2)	1.2	0.2	1.1	1.7	-	6.6	1.2	0.8	-	0.8	0.1	563.2	(65.3)	497.9
Net other operating income	52.2	1.3	(2.1)	0.1	(0.1)	(17.9)	0.9	1.9	2.8	0.4	4.5	2.7	(0.5)	-	-	(0.2)	0.3	46.3	(3.8)	42.5
Operating income	1,874.8	3.6	7.2	3.1	2.9	(12.0)	6.3	2.1	4.9	4.0	0.1	22.8	2.2	3.0	-	5.0	0.4	1,930.4	(67.1)	1,863.3
Operating expenses	(682.9)	(5.1)	(7.2)	(2.4)	(2.0)	(1.3)	(4.3)	(1.8)	(2.6)	(3.5)	-	(8.3)	(2.0)	(2.2)	-	(3.8)	(0.3)	(729.7)	5.1	(724.6)
Profit/(loss) before tax	1,191.9	(1.5)	-	0.7	0.9	(13.3)	2.0	0.3	2.3	0.5	0.1	14.5	0.2	0.8	-	1.2	0.1	1,200.7	(62.0)	1,138.7
Income tax expense	(224.1)	-	(0.5)	(0.1)	(0.2)	(0.2)	(0.4)	-	-	(0.1)	-	(2.8)	0.1	(0.2)	-	-	-	(228.5)	4.6	(223.9)
Net profit/(loss) from continuing operations	967.8	(1.5)	(0.5)	0.6	0.7	(13.5)	1.6	0.3	2.3	0.4	0.1	11.7	0.3	0.6	-	1.2	0.1	972.2	(57.4)	914.8
Net profit/(loss) from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8.0	-	-	8.0	(77.8)	(69.8)
Net profit/(loss)	967.8	(1.5)	(0.5)	0.6	0.7	(13.5)	1.6	0.3	2.3	0.4	0.1	11.7	0.3	0.6	8.0	1.2	0.1	980.2	(135.2)	845.0
Capital expenditures	121.1	0.4	0.4	0.2	0.3	0.2	0.6	0.1	-	0.8	17.0	2.6	0.2	0.1	-	1.2	-	145.2	-	145.2

INFORMATION ON THE FINANSIAL POSITION AND PERFORMANCE OF THE REPORTABLE SEGMENTS

RUB BLN	BANKING BUSINESS		PAYMENT BUSINESS		WEALTH MANAGEMENT AND BROKERAGE		RISK INSURANCE		NON-FINANCIAL BUSINESS		OTHER		INTERSEGMENT ELIMINATIONS		TOTAL	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
REVENUE¹ FROM:																
- external customers	2,658.6	2,643.4	420.0	353.8	94.4	130.9	98.8	104.5	71.4	26.4	22.2	33.7	-	-	3,365.4	3,292.7
- other segments	40.7	37.2	-	-	5.1	3.0	-	-	-	-	-	-	(45.8)	(40.2)	-	-
Total revenue	2,699.3	2,680.6	420.0	353.8	99.5	133.9	98.8	104.5	71.4	26.4	22.2	33.7	(45.8)	(40.2)	3,365.4	3,292.7
SEGMENT PERFORMANCE:																
Operating income before credit losses allowance and other provisions	1,744.8	1,613.7	329.0	277.7	65.8	60.7	78.9	81.2	36.2	10.0	35.8	32.6	(29.5)	(31.0)	2,261.0	2,044.9
Net (charge) / recovery of credit loss allowance and other provisions	(534.8)	(183.7)	-	-	(1.1)	-	(0.2)	-	(0.4)	(0.1)	3.6	-	-	-	(532.9)	(183.8)
Staff and administrative expenses	(574.2)	(552.1)	(124.1)	(122.7)	(21.1)	(18.6)	(17.0)	(15.9)	(27.2)	(11.4)	(32.7)	(34.2)	27.7	28.6	(768.6)	(726.3)
Profit / (loss) before tax (segment result)	635.8	877.9	204.9	155.0	43.6	42.1	61.7	65.3	8.6	(1.5)	6.7	(1.6)	(1.8)	(2.4)	959.5	1,134.8
SEGMENT ASSETS AND LIABILITIES:																
Segment assets	34,518.3	28,393.0	71.1	58.7	1,136.9	944.1	92.8	80.7	136.6	39.3	318.9	477.8	(84.6)	(98.2)	36,190.0	29,895.4
Segment liabilities	30,305.8	24,655.8	18.9	9.2	652.7	683.4	79.9	69.2	64.9	15.5	74.5	39.5	(83.1)	(97.1)	31,113.6	25,375.5

¹ Revenue of the Non-financial business segment does not include Yandex Market data

REPORT ON RELATED-PARTY TRANSACTIONS ENTERED INTO BY SBERBANK IN 2020

This Report shows a list of transactions made by Sberbank in 2020 and recognized under Federal Law No. 208-FZ of 26/12/1995 On Joint-Stock Companies as related-party transactions, which were agreed with/approved by the Supervisory Board of Sberbank.

The grounds for recognizing persons as stakeholders in a transaction and the equity interest of the stakeholders in the authorized (share) capital (amount of shares held by the stakeholders) of the legal entities acting as parties to the transactions are stated by the time the transactions are performed.

The Report was approved by the Supervisory Board of Sberbank (Minutes No. 8 dated 19/03/2021).

NO. NO.	MATERIAL TRANSACTION TERMS	NUMBER OF TRANSACTIONS IN THE SECTION	CUMULATIVE NUMBER OF TRANSACTIONS
1	<p>Counterparty: Cetelem Bank LLC</p> <p>Stakeholder and the reasons why he/she was deemed interested in the transaction:</p> <p>As of the date of the transaction, S. Kirsanova was concurrently a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank and the Chairman of the Board of Directors of Setelem Bank LLC Equity interest of the stakeholder in the charter capital of Sberbank: 0% Amount of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (amount of voting shares held by the stakeholder) of Cetelem Bank LLC: 0%</p> <p>As of the date of the transaction, A. Morozov was concurrently a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank and the Chairman of the Board of Directors of Setelem Bank LLC Equity interest of the stakeholder in the charter capital of Sberbank: 0.0017% Amount of voting shares of Sberbank held by the stakeholder: 0.001% Equity interest of the stakeholder in the charter capital (amount of voting shares held by the stakeholder) of Cetelem Bank LLC: 0%</p>		
	<p>Agreement on opening a revolving framework facility with differentiated interest rates and execution of interrelated credit transactions entered into under the Agreement</p>	RUB 100 bn	1
2	<p>Counterparty: Digital Assets LLC, Yandex N.V., Yandex.Market B.V, Yandex.Market LLC, Yandex.Money PS LLC, Yandex.Money NPO LLC, Yandex, Edadil Promo LLC, Yandex.Drive LLC, Yandex. OFD», «Yandex.Cloud» LLC, «Yandex.Health Clinic» LLC, «Yandex.Verticals» LLC, JSC TPL, Stichting Yandex.Market equity incentive, Yandex e-commerce limited, «Yandex.Market Lab» LLC</p> <p>Stakeholders and the reasons why they were deemed interested in the transaction:</p> <p>Herman Gref was concurrently the CEO and Chairman of the Executive Board of Sberbank and a member of the Board of Directors of Yandex N.V. Equity interest of the stakeholder in the charter capital of Sberbank: 0.0045% Amount of voting shares of Sberbank held by the stakeholder: 0.0044% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Yandex N.V.: 0%</p> <p>L. Khasis was concurrently a member of the Executive Board, First Deputy Chairman of the Executive Board of Sberbank and a member of the Boards of Directors of PS Yandex.Money LLC and Yandex Market B.V. Equity interest of the stakeholder in the charter capital of Sberbank: 0% Amount of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of PS Yandex.Money LLC: 0% Equity interest of the stakeholder in the charter capital (amount of voting shares held by the stakeholder) of Yandex Market B.V.: 0%</p> <p>As of the date of the transaction, S. Kirsanova was concurrently a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank and the Chairman of the Board of Directors of Loyalty Programs Center Joint-Stock Company Equity interest of the stakeholder in the charter capital of Sberbank: 0% Amount of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Loyalty Programs Center JSC: 0%</p>		
	<p>Acquisition by Digital Assets LLC of a 25% stake plus an interest at nominal value of RUB 1 in Yandex PS Yandex.Money LLC from Yandex N.V.</p>	USD 19,7 mn	1
	<p>Sale to Yandex N.V. 10.0 million class B shares in Yandex.Market B.V. owned by Digital Assets LLC</p>	RUB 42 billion	1

REPORT ON RELATED-PARTY TRANSACTIONS ENTERED INTO BY SBERBANK IN 2020

NO. NO.	MATERIAL TRANSACTION TERMS	NUMBER OF TRANSACTIONS IN THE SECTION	CUMULATIVE NUMBER OF TRANSACTIONS
3	Counterparty: Sberbank JSC (Ukraine)		
	<p>Stakeholder and the reasons why he/she was deemed interested in the transaction:</p> <p>L. Khasis is concurrently a member of the Executive Board, First Deputy Chairman of the Executive Board of Sberbank L. and the Chairman of the Supervisory Board of SBERBANK JSC (Ukraine) Equity interest of the stakeholder in the charter capital of Sberbank: 0% Amount of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SBERBANK JSC (Ukraine) 0%</p>		
	Acquisition of ordinary registered shares of additional issue of SBERBANK JSC (Ukraine) in the amount of 4.3 bn shares to be offered by placement during an increase in the authorized capital of SBERBANK JSC	UAH 4.3 bn	1 4
4	Counterparty: BiZone LLC, Transtelecom JSC (Republic of Kazakhstan)		
	<p>Stakeholders and the reasons why they were deemed interested in the transaction:</p> <p>Kuznetsov is concurrently the Deputy Chairman of the Executive Board of Sberbank and the Chairman of the Board of Directors of BiZone LLC Equity interest of the stakeholder in the charter capital of Sberbank: 0.00125% Amount of voting shares of Sberbank held by the stakeholder: 0.00131% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of BiZone LLC: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Transtelecom JSC: 0%</p>		
	Opening by Sberbank of a non-revolving credit line for BiZone LLC to finance costs under the contract for the purchase of complex works in the field of information technology entered into by and between BiZone LLC and Transtelecom JSC (Republic of Kazakhstan)	RUB 4,05 bn plus the loan interest amount	1 5
	Entry into the Master agreement on forward transactions in financial markets taking into account the non-deliverable forward transaction concluded between Sberbank and BiZone LLC for the purpose of hedging currency risks arising while performing the contract between Party B and Transtelecom JSC (Republic of Kazakhstan)	RUB 1.55 bn	1 6
	Entry into a property rights pledge agreement between Sberbank (Pledgee) and BiZone LLC (Pledgor) on the Pledgor pledging all its property rights (claims) under the contract to the Pledgee	RUB 13.35 bn	1 7
Entry into movable property pledge agreements to secure proper fulfilment of the obligations of BiZone (Borrower) to Sberbank (Pledgee) to repay the funds under the non-revolving credit line	RUB 8.76 bn	1 8	

REPORT ON RELATED-PARTY TRANSACTIONS ENTERED INTO BY SBERBANK IN 2020

NO. NO.	MATERIAL TRANSACTION TERMS	NUMBER OF TRANSACTIONS IN THE SECTION	CUMULATIVE NUMBER OF TRANSACTIONS
5	<p>Counterparty: Sberbank Corporate University, Autonomous Nonprofit Organization for continuing professional education</p> <p>Stakeholder and the reasons why he/she was deemed interested in the transaction: Herman Gref is concurrently the CEO, Chairman of the Executive Board of Sberbank, a member of the Supervisory Board of Sberbank and the Chairman of the Executive Board of Sberbank Corporate University Equity interest of the stakeholder in the charter capital of Sberbank: 0.0045% Amount of voting shares of Sberbank held by the stakeholder: 0.0044% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p> <p>A. Vedyakhin is concurrently a member of the Executive Board of Sberbank, First Deputy Chairman of the Executive Board of Sberbank and a member of the Executive Board of Sberbank Corporate University ANO for CPE and a member of the Academic Council of Sberbank Corporate University Equity interest of the stakeholder in the charter capital of Sberbank: 0.000027% Amount of voting shares of Sberbank held by the stakeholder: 0.000029% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p> <p>L. Khasis is concurrently a member of the Executive Board of Sberbank, First Deputy Chairman of the Executive Board of Sberbank and a member of the Executive Board of Sberbank Corporate University ANO for CPE Equity interest of the stakeholder in the charter capital of Sberbank: 0% Amount of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p> <p>S. Kuznetsov is concurrently a member of the Executive Board of Sberbank, Deputy Chairman of the Executive Board of Sberbank and a member of the Executive Board of Sberbank Corporate University ANO for CPE Equity interest of the stakeholder in the charter capital of Sberbank: 0.00125% Amount of voting shares of Sberbank held by the stakeholder: 0.00131% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p> <p>A. Popov is concurrently a member of the Executive Board of Sberbank, First Deputy Chairman of the Executive Board of Sberbank and a member of the Executive Board of Sberbank Corporate University ANO for CPE and a member of the Academic Council of Sberbank Corporate University Equity interest of the stakeholder in the charter capital of Sberbank: 0.00053% Amount of voting shares of Sberbank held by the stakeholder: 0.00055% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p> <p>O. Ganeev is concurrently a member of the Executive Board, First Deputy Chairman of Sberbank and a member of the Executive Board of Sberbank Corporate University and a member of the Academic Council of Sberbank Corporate University Equity interest of the stakeholder in the charter capital of Sberbank: 0.0017% Amount of voting shares of Sberbank held by the stakeholder: 0.0009% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p> <p>As of the date of the transaction, S. Kirsanova was concurrently a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank and a member of the Executive Board of Sberbank Corporate University; Equity interest of the stakeholder in the charter capital of Sberbank: 0% Amount of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p> <p>A. Morozov was concurrently a member of the Executive Board of Sberbank and a member of the Executive Board of Sberbank Corporate University at the time the transaction was entered into Equity interest of the stakeholder in the charter capital of Sberbank: 0.0025% Amount of voting shares of Sberbank held by the stakeholder: 0.0014% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank Corporate University: 0%</p>		
5	<p>Provision by Sberbank Corporate University of services in organizing and conducting training of Sberbank's managers and specialists in educational programs of professional development, professional retraining, other training programs and electronic courses; services of organizing open format programs (external training), etc.</p>	RUB 3.08 bn	9

REPORT ON RELATED-PARTY TRANSACTIONS ENTERED INTO BY SBERBANK IN 2020

NO. NO.	MATERIAL TRANSACTION TERMS	NUMBER OF TRANSACTIONS IN THE SECTION	CUMULATIVE NUMBER OF TRANSACTIONS
6	<p>Counterparty: PJSC Rosneft Oil Company</p> <p>Stakeholder and the reasons why he/she was deemed interested in the transaction:</p> <p>M. Oreshkin is concurrently a member of the Supervisory Board of Sberbank and a member of the Board of Directors of PJSC Rosneft Oil Company Equity interest of the stakeholder in the charter capital of Sberbank: 0% Amount of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of PJSC Rosneft Oil Company: 0%</p>		
	<p>Provision of a guarantee to Rosneft for the obligations of Prime Shipping LLC under a non-revolving credit facility agreement</p>	RUB 13.6 bn	1 10
7	<p>Counterparty: SOGAZ JSC</p> <p>Stakeholder and the reasons why he/she was deemed interested in the transaction:</p> <p>A. Siluanov, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0%</p> <p>Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0% S. Ignatiev, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>G. Melikyan, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0.00017% Amount of voting shares of Sberbank held by the stakeholder: 0.00018% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>E.T. Aho, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>L. Boguslavsky, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>M. Kovalchuk, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>V. Kolychev, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>N. Kudryavtsev, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>A. Kuleshov, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p>		

REPORT ON RELATED-PARTY TRANSACTIONS ENTERED INTO BY SBERBANK IN 2020

NO. NO.	MATERIAL TRANSACTION TERMS	NUMBER OF TRANSACTIONS IN THE SECTION	CUMULATIVE NUMBER OF TRANSACTIONS
7	<p>M. Oreshkin, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>N. Wells, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>D. Chernyshenko, a member of the Supervisory Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Sberbank: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>Herman Gref, the CEO, Chairman of the Executive Board of Sberbank, a member of the Supervisory Board of Sberbank is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0.0045% Number of voting shares of Sberbank held by the stakeholder: 0.0044% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>A. Vedyakhin, a member of the Executive Board, First Deputy Chairman of the Executive Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0.000027% Number of voting shares of Sberbank held by the stakeholder: 0.000029% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>L. Khasis, a member of the Executive Board, First Deputy Chairman of the Executive Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0% Number of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>O. Golodets, a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0% Number of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>B. Zlatkis, a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank, a member of the Supervisory Board of Sberbank is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0.0004% Number of voting shares of Sberbank held by the stakeholder: 0.0005% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>S. Kuznetsov, a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0.00125% Number of voting shares of Sberbank held by the stakeholder: 0.00131% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>A. Popov, a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank, is a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0.00053% Number of voting shares of Sberbank held by the stakeholder: 0.00055% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>As of the date of the transaction, O. Ganeev was a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank and a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0.0017% Number of voting shares of Sberbank held by the stakeholder: 0.0009% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p> <p>As of the date of the transaction, S. Kirsanova was a member of the Executive Board, Deputy Chairman of the Executive Board of Sberbank and a beneficiary of the transaction. Equity interest of the stakeholder in the charter capital of Sberbank: 0% Number of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of SOGAZ JSC: 0%</p>		

REPORT ON RELATED-PARTY TRANSACTIONS ENTERED INTO BY SBERBANK IN 2020

NO. NO.	MATERIAL TRANSACTION TERMS		NUMBER OF TRANSACTIONS IN THE SECTION	CUMULATIVE NUMBER OF TRANSACTIONS
7	Management liability insurance policy for the executives of Sberbank and Group companies	Insurance premium: RUB 66 million Amount of coverage: RUB 6 billion Excess limit of liability per independent director: RUB 30 million Aggregate additional coverage for independent directors: RUB 150 million	1	11
8	Counterparty: Mail.Ru Group Limited Stakeholder and the reasons why he/she was deemed interested in the transaction: L. Khasis is concurrently a member of the Executive Board, First Deputy Chairman of the Executive Board of Sberbank and a member of the Board of Directors of Mail.Ru Group Limited Equity interest of the stakeholder in the charter capital of Sberbank: 0% Number of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of Mail.Ru Group Limited: 0%			
	Provision of a guarantee to Mail.Ru Group Limited for the obligations of Mail.Ru LLC under the General Agreement for the Revolving Framework Credit Facility with differentiated interest rates	no more than RUB 30 bn plus the amount of loan interest	1	12
9	Counterparty: PJSC Rostelecom Stakeholder and the reasons why he/she was deemed interested in the transaction: D. Chernyshenko is concurrently a member of the Supervisory Board of Sberbank and a member of the Board of Directors of PJSC Rostelecom Equity interest of the stakeholder in the charter capital of Sberbank: 0% Number of voting shares of Sberbank held by the stakeholder: 0% Equity interest of the stakeholder in the charter capital (number of voting shares held by the stakeholder) of PJSC Rostelecom: 0%			
	Provision of a guarantee to PJSC Rostelecom for T2 Mobile's obligations under a loan agreement	RUB 40 bn plus the loan interest amount	1	13

During 2020, the Supervisory Board also approved entry into one related-party transaction, the terms and conditions of which, as well as the parties and beneficiaries thereof, are not disclosed in accordance with para. 6 of Article 30.1 of Federal Law No. 39-FZ dated 22/04/1996 "On the Securities Market".

Sustainability (ESG) Report



Contents

1 GROUP PORTRAIT

- 220 ESG Strategy and Management System
- 221 Responsibility to Customers
- 222 Special Bank
- 223 Cybersecurity and Data Protection
- 224 People with New Skills in Effective Teams
- 225 Corporate Culture
- 226 Social Responsibility
- 227 Environmental Impact Management

2 SUSTAINABILITY AND ESG: STRATEGY AND MANAGEMENT SYSTEM

- 229 Approach to Managing Sustainability and ESG
- 231 The ESG Strategy
- 235 Stakeholder Relations
- 236 Membership in External Initiatives and Participation in ESG Events in 2020
- 237 Responsible Financing
- 240 Management of ESG Risks

3 RESPONSIBILITY TO CUSTOMERS

- 244 Ensuring Accessibility of Financial and Non-Financial Services
- 247 AI Implementation in Customer Services
- 250 Improving Financial Literacy
- 252 Special Bank (Inclusive Solutions)
- 254 Development of Socially Oriented Products
- 257 Cybersecurity, Data Protection and Fraud Prevention
- 260 Response to the Coronavirus Pandemic

4 RESPONSIBILITY TO EMPLOYEES

- 263 Staff Structure
- 265 Effective Leaders
- 267 Effective Employees
- 275 HR Tech
- 276 Flexibility and Culture
- 280 HR Strategy 2023
- 281 Corporate Volunteering
- 283 Occupational Health and Safety
- 284 Response to the Coronavirus Pandemic

5 SOCIAL RESPONSIBILITY

- 287 Financing of Socially Significant Projects
- 288 Sber Educational Projects
- 289 Development of Footprint Regions and Assistance to Local Communities
- 291 Charitable and Sponsorship Projects
- 295 Response to the Coronavirus Epidemic

6 ENVIRONMENTAL IMPACT MANAGEMENT AND "GREEN" FINANCING

- 299 "Green" Financing
- 303 Environmental and Climate Action Solutions Based on Artificial Intelligence
- 304 Effective Consumption of Resources and Use of Materials
- 305 Responsible Waste Management
- 306 Climate Action and Increasing Energy Efficiency

7 APPENDICES

- 312 Sber's Membership in Organizations and Associations
- 314 Procedure for Identifying Material Topics
- 316 SASB Content Index
- 317 GRI Content Index
- 320 Glossary

Group Portrait

220 ESG Strategy and Management System

221 Responsibility to Customers

222 Special Bank

223 Cybersecurity and Data Protection

224 People with New Skills in Effective Teams

225 Corporate Culture

226 Social Responsibility

227 Environmental Impact Management



ESG Strategy and Management System

Goal

Sustainable development and ESG activities are a prerequisite for achieving the main goal of our business strategy up to 2023 – to become a trusted assistant and navigator in a rapidly changing world and help people, businesses, and the country to develop steadily.

Mission

Sber's mission is to become a pioneer of sustainability and ESG in the industry and in the country.

International initiatives

Sber is involved in such international initiatives as:

- United Nations Global Compact
- United Nations Sustainable Development Goals (SDGs)
- Principles for Responsible Banking (UNEP FI PRB)
- Russian Chapter WEF

Sber's organizational structure for sustainability and ESG management



Development of Sber's sustainability and ESG agenda in 2020



Responsibility to clients

>60_{MN}

people per month is the audience of Sber's non-financial services

>20_{MN}

pensioners in Russia learned about Sber's online services as part of our digital services training campaign

77_{RUSSIAN CITIES}

Public services at multifunctional service centers are paid for through the cashless payment service of Sberbank

1.5_{MN}

participated in a series of webinars on banking services launched during the pandemic

13.9_{MN}

subscribers to SberKot chatbot

471_{BN RUB}

of loans issued by Sberbank under the state-supported mortgage program

8_{FSU COUNTRIES}

P2P money transfers abroad using a phone number are available

>480_{MN}

communications were arranged to support those people who stayed at home during the lockdown



7 Retail Finance award



10 Innovation Time awards



CX World Awards

4 Sber projects won in their categories



3 World's Best Digital Bank Awards



Sberbank Online was announced the winner of the Digital Leaders Award in the Mobile App of the Year category

Special Bank

The availability of all banking products and services is one of the main principles of Sber's operations. Any person, regardless of his/her health condition, should be able to use any of our products freely: go to our office, visit our website or run our mobile application and receive the necessary service without any limitations



CX World Awards

Winner of the award for accessibility of the bank's digital services to people with disabilities and accessibility guidelines as part of the Special Bank project



Banking Technology Awards

The project to adapt SberBusiness, the corporate online banking service, for visually impaired users received an award in the Diversity & Inclusion Excellence category



UsabilityLab

No. 1 in the ranking based on a survey of availability of banking applications to people with disabilities

>6,200

branches equipped for people with disabilities

28,931

ATMs accessible for blind clients

46%

of offices are wheelchair accessible

56%

of ATMs are accessible to blind clients

30%

of the bank's clients answer "yes" to the question "Do you agree that Sberbank takes care of clients with disabilities?"

Cybersecurity and Data Protection

Cybersecurity and data protection are Sber's priorities. Sber is one of the global leaders in cybersecurity. We are constantly improving our systems to protect client data. Sber has established the Steering Committee for Cybersecurity Risks.

2020 became the fourth year in succession when Sberbank proved its compliance with **ISO/IEC 27001:2013**, international requirements for monitoring and preventing cyber threats.

In 2020, the first ever independent assurance of the bank's compliance with the requirements of SWIFT CSP was conducted by an external audit company.

Cybersecurity and data protection

100%
of DDoS attacks (more than 90 attacks in total) were repelled in 2020

0 MINUTES
of downtime due to DDoS attacks

0 RUB
of lost client money because of DDoS attacks

The target for 2023 is RUB 0 of losses from cyber threats

2nd International Cybersecurity Congress

Hosted by Sberbank

>2,700 delegates	65 countries
66 program events	>100 program events

Cybersecurity

98.6% of the bank's employees completed the Cybersecurity Agent special course	4 phishing cyberdrills were held in 2020, 99% of employees completed them successfully
--	--

Bi.Zone results

Part of the Sberbank ecosystem

BI.ZONE accounts for a third of the cybersecurity services market in Russia.

700 cybersecurity projects	>200 clients in 10 countries
--------------------------------------	---

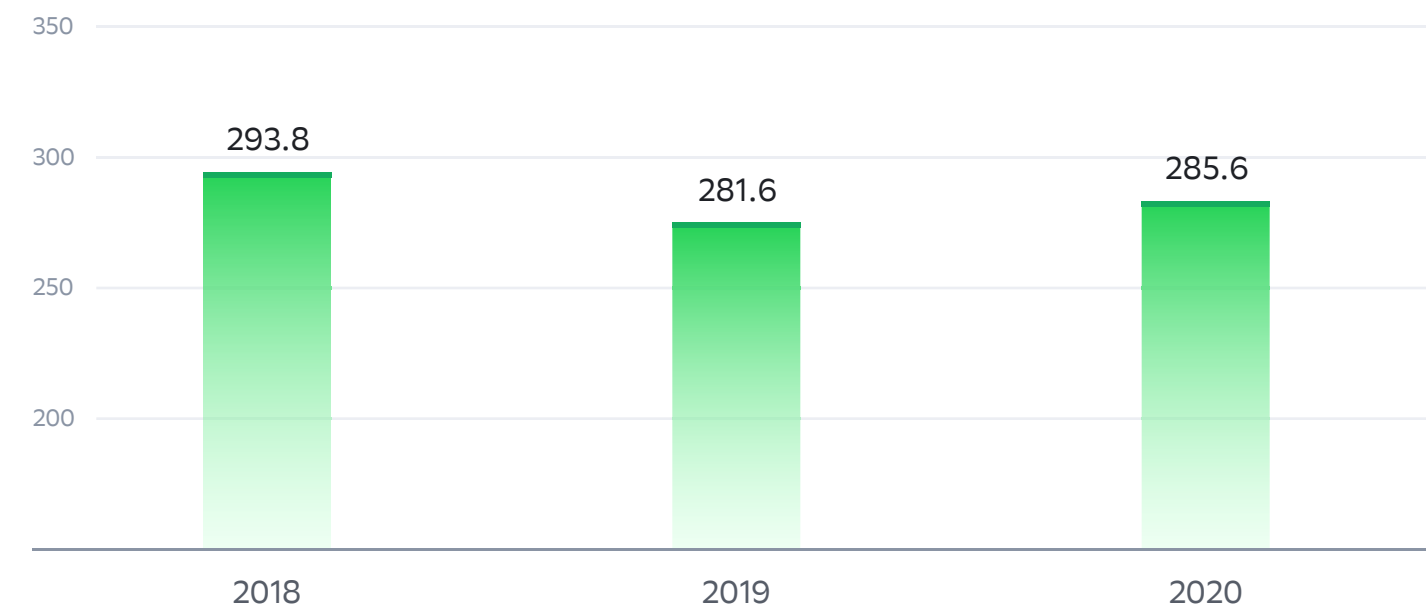
Self-service terminals

In 2020, not a single cyberattack on self-service terminals was recorded.

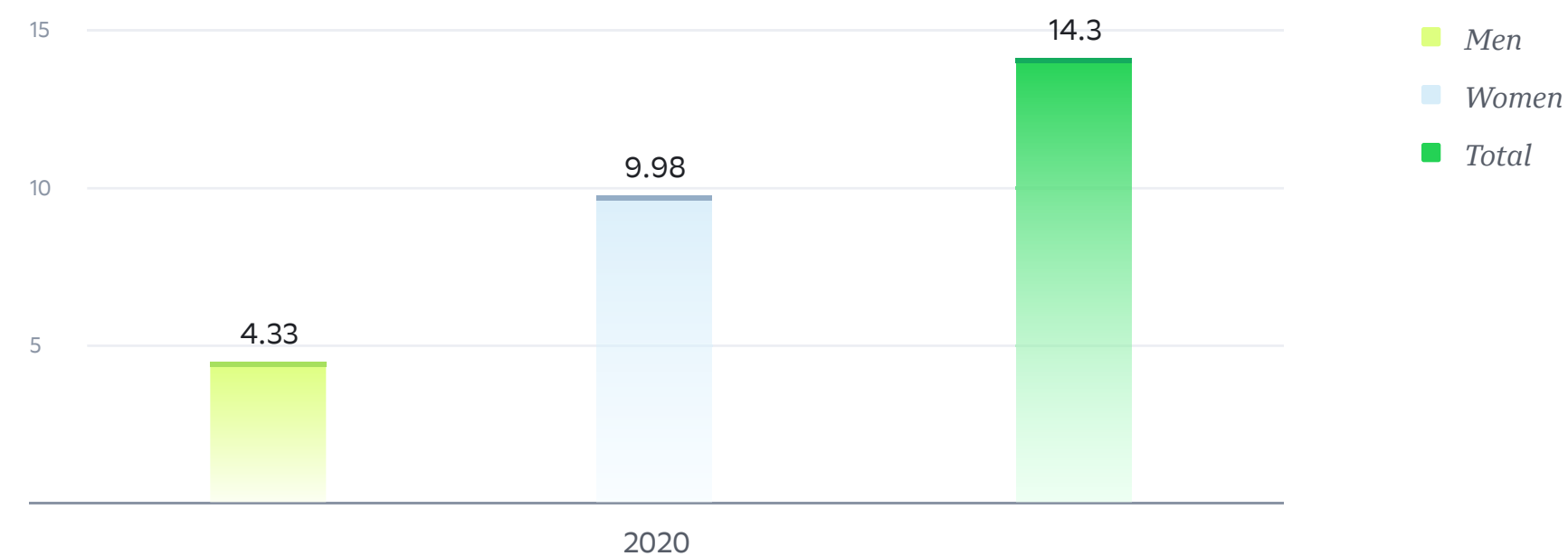
People with new skills in effective teams

The results of Strategy 2020 and especially the current year have shown that people, i.e. Sber's employees, are critical to the Group's successful development. The transformation of the Group's business model and its successful operations would not have been possible without our team.

Sber Group Headcount, '000 people



Total hours of training for the Group's employees, million hours



286к

Sber Group Headcount as of the end of 2020

>45к

new employee hired in 2020

11% -1.88 p.p.

employee turnover rate decreased in 2020

100%

SberBank employees are covered by a collective agreement

>230к

Employees trained in 2020

Achievements



Sber was ranked **second** in the 2020 Russian Employers Ranking by HeadHunter. Sber was the absolute leader in the Banks category.



Two companies from Sber's ecosystem also demonstrated great results: 2GIS (won the gold in the IT and Internet category) and Rambler Group (won the silver in the Media and Marketing category), with 2GIS being the winner among all medium-sized companies as well.

Injury severity and frequency rates

RATE	FORMULA	2016	2017	2018	2019	2020
Injury frequency	$R_f = I * 1000 / H$	0.68	0.62	0.60	0.56	0.32
Injury severity	$R_s = D / I$	36.27	42.99	39.57	45.86	42.51
Total injury rate	$R_{total} = R_s * R_f$	24.13	26.22	23.74	25.68	13.6

Corporate culture

Corporate culture is a key element of Sber's business model and a source of the company's long-term competitive advantage. Development of new business models (agile, teal) and creation of the ecosystem, a larger share of employees from Generation Y/Z and engineers expecting an open and democratic environment and support for their development and personal fulfillment from the employer have necessitated a change in Sber's corporate culture.

CORPORATE CULTURE 2.0

Corporate culture 2.0 is responsibility for the outcome, development of own skills, team and ecosystem for the benefit of the country.

Priorities of Corporate Culture 2.0:

1

I AM RESPONSIBLE FOR MYSELF

- USE MY HEAD, TAKE THE INITIATIVE
- MAKE DECISIONS, REACH GOALS
- GIVE AND ACCEPT FEEDBACK, IS TOLERANT
- CONTINUOUSLY DEVELOP AND BUILD MY CAREER
- MANAGE MY ENERGY AND STRESS



2

I AM RESPONSIBLE FOR THE TEAM

- ACHIEVE AMBITIOUS GOALS AT THE LOWEST COST
- CONSTANTLY RAISE THE BAR, INSPIRE AND MOTIVATE FOR RESULTS
- DELEGATE AUTHORITY
- ENCOURAGE INITIATIVE, EXPERIMENTATION, COLLABORATION
- RETAIN THE BEST, BREAK UP INEFFECTIVE



3

I CHANGE THE COUNTRY

- USE AND PROMOTE ECOSYSTEM PRODUCTS
- RESPONSIBLE CONSUMPTION, ESG
- DEVELOP IN SOCIAL ROLES - PARENT, VOLUNTEER

EMPLOYEE ENGAGEMENT POLL

75%

employee engagement

84%

employees are proud to work in Sber

73%

employees recommend Sber as a place to work

72%

of employees enjoy working in Sber thanks to corporate culture and positive working environment

82%

of employees consider Sber as a technological company



Activities and image of a manager are key driver of employee engagement and willingness to recommend Sber as an employer

Social responsibility

194 MN RUB

was collected on SberVmeste platform to help doctors and combat COVID-19

>300 MN

Spasibo bonus points were donated by clients to help children, veterans, and doctors

200

events were organized and held by Contribution to the Future, a charitable foundation

Stop Coronavirus Together Charity Campaign



> 48k people and 127 companies supported the initiative



More than 179 mn RUB was collected during the campaign

332 BN RUB

Sber's tax contributions to budgets of all levels amounted



Special Bank



Ladoshki (Palms), cashless payments for school lunches



Financial Literacy from Sberbank



Sberbank's Export Accelerator



BRIS Utilities Billing Platform



Strelka and Social Account

In 2020, the Group was announced the winner of the Russian Best Social Projects Award in several categories. The following projects gained recognition:

Environmental impact management

Awards



The project to construct the Data Processing Center of Sberbank according green standards ranked to **second in the Best Clean Energy Project category of the Environmental Award of the Government of Moscow**

Achievements

Sber has tightened its lending strategy for certain “dirty” industries

-48%

(2,500 tons of paper) the amount of paper transferred to archival storage decreased in 2020

-11%

(~1,200 tons of paper) the amount of paper documents for clients decreased in 2020

22%

of waste of hazard classes 1–3 is treated by special organizations

-20%

less power consumed over the past 5 years

Focus areas



Efficient consumption of resources and use of materials



Sustainable waste management



Greater energy efficiency



Development of the green office concept



Financing of renewable energy projects (green projects)

Implementation of environmental initiatives

40%

By 2025, Sberbank aims to increase the share of separate waste collection to 40%

Green office

Sustainability and ESG: Strategy and Management System

229 Approach to Managing Sustainability and ESG

231 The ESG Strategy

235 Stakeholder Relations

236 Membership in External Initiatives and Participation in ESG Events in 2020

237 Responsible Financing

240 Management of ESG Risks



Approach to Managing Sustainability and ESG

For the Company, its activity on sustainability and ESG is not simply a response to a request from stakeholders, such as investors, shareholders, and customers, but is a mandatory precondition for achieving the main goal of the business strategy to 2023—to become a trusted assistant and navigator in a fast-changing world, helping people, business, and the country to develop in a stable way.

The introduction of sustainable practices and ESG criteria to Sber’s activity at all levels adds to the stability of the business. This was one of the factors in maintaining Sber’s strong performance in 2020, despite the unfavorable and uncertain conditions of the external environment. Development of the state, support for business, caring for employees, our society, and the environment—all these and other sustainability and ESG values and priorities help Sber find new ways of effectively interacting and working together with stakeholders to our mutual benefit.

Sber does not seek to simply integrate the ESG agenda into its strategy and effect an ESG transformation within the Company. Sber’s mission is to become a pioneer in the field of sustainable development and ESG in the industry and the country. The Company aims to use its unique role and capabilities to create an advanced ESG agenda in Russia, to shape and refine the regulatory environment for ESG, as well as develop and implement best practices. This concerns both responsible financing and green financing being the areas that fit the industry in which Sber operates and the ESG trends in their entirety.

In 2020, Sber continued to steadily develop its sustainable business practices, implement ESG elements into its products and services, improve its ESG performance to boost its investment appeal, and to successfully fulfill its role as a foundational element of the Russian economy. By growing its traditional initiatives and creating innovative new projects aimed at social, economic, and environmental development, Sber has ascended to a new level, as the new ESG Strategy for 2021–2023 was developed and adopted in 2020.

Stages in developing Sber sustainability and ESG agenda in 2020



With the aim of creating a uniform approach to managing sustainable development and ESG and of effectively implementing the ESG Strategy, the ESG Committee and the ESG Directorate were created in 2020.

Furthermore, an ESG curator was appointed to the Supervisory Board, a Senior Vice-President for the ESG agenda was named on the Executive Board, while the Strategic Planning Committee of the Supervisory Board was renamed the Committee for Strategic Planning and Sustainable Development¹. Sber organizational structure for managing sustainable development and ESG is in line with best practices and covers all levels of management.

Organizational structure of management of sustainable development and ESG at Sber



¹ For further details, please see 2020 Annual Report, Part 1, section “Supervisory Board Committees”, on pp. 112–117

Approach to Managing Sustainability and ESG

The ESG Committee is a working body created to ensure that sustainability and ESG principles are followed in companies of the ecosystem.

The ESG Committee includes senior management and representatives of all functional business units and regional head offices of Sber, who meet regularly to consider current topics in sustainability and ESG.

In 2020, the ESG Committee had 30 specialized working groups covering work on such topics as green financing, risk management, practical ecology, inclusion, social solutions, and responsible purchasing. By the end of 2020, 965 initiatives had been developed and/or were being implemented thanks to the committee's work.

The work of the ESG Committee has made it possible to begin monitoring borrowers using ESG criteria, develop the parameters of the green loan portfolio, and produce a road map for offering green bonds.

The ESG Directorate is the key body coordinating sustainability and ESG activities. It is responsible for shaping and implementing a comprehensive unified approach to sustainable development and ESG taking into account the interests of all stakeholders, best practices, Sber obligations and goals, traditional and already implemented programs and projects.

To this end, the ESG Directorate performs a number of interrelated tasks:



Data Management, that is consolidating the ESG-related data and working with them, providing methodological support to activities, and implementing the ESG standards;



ESG positioning, that is representing Sber and Russia ESG positions at international platforms and investment forums, preparing and holding targeted events, participating in ESG ratings, communicating support for ESG initiatives;



ESG transformation office, that is managing ESG initiatives, implementing pilot and special projects, creating ESG products, and building an ESG culture;



ESG-related GR¹ and coordinating ESG projects, that is participating in shaping the ESG regulatory framework in Russia, examining proposals and replicating best practices, building an ESG portfolio, and ESG consulting.

In addition to the internal management bodies, Sber will consolidate the expert and business communities to shape and implement the progressive ESG agenda at the national level.

In 2021, Sber plans to develop and adopt the Sustainability and ESG Policy that will set out Sber's main approaches, principles, areas of activity, and goals in this field, as well as enshrining its approach to working with stakeholders and the system for managing the ESG transformation. Development of the Policy will encompass discussions with internal and external stakeholders at the level of the Executive Board and the Supervisory Board.

The Sustainability and ESG Policy will supplement the ESG Strategy, and together they will define the approach, key priorities, and goals in the area of ESG to 2023. Mechanisms of effective interaction between the corporate center and the business units and regional divisions on ESG and sustainability issues will be fully implemented in 2021, which will make it possible to support and coordinate the initiatives that are already being implemented, as well as plan and implement initiatives that are essential to the successful realization of the ESG Strategy.

In managing sustainable development and ESG, including when developing the Policy, Sber will analyze in detail and take into consideration the requirements of international standards and recommendations, as well as best practices in the industry.

¹ Government Relations

The ESG Strategy

One of the key achievements of 2020 was the approval of the ESG Strategy for 2021–2023. Following best practices, Sber has integrated the ESG Strategy into the overall corporate development strategy to 2023.

Shaping the Strategy’s goals and approaches involved analyzing standards and best practices, taking stock of and systematizing current sustainability and ESG initiatives, and discussing the Strategy with key management bodies and other stakeholders.

The Strategy was approved on 10 September 2020 and was presented as part of the presentation on Strategy 2023 on Investor Days, 30 November–1 December 2020.

ESG Strategy 2021–2023: key areas and goals

ASPECT	AREAS OF ACTIVITY AND GOALS
Environmental	<ul style="list-style-type: none"> • developing the green office concept • reducing the paper document flow by 30% annually • increasing the share of recycled waste to 40% by 2023 • increasing the share of green energy to 30% by 2023 • calculating and reducing the carbon footprint • 100% of purchases made using ESG criteria • developing a regulatory framework to classify ESG risks and assess the environmental footprint
Social	<ul style="list-style-type: none"> • ensuring development, a comfortable work environment, and focus on health of employees and their families in regions of presence • ensuring flexible work formats for more than 20% of employees • keeping the employee engagement index at 75% • improving inclusion, adoption of an industry standard and solutions for special needs individuals • supporting volunteerism • shaping standards for caring for employees and social solutions at the national level • promoting national welfare through financial and investment services: 50% increase in the number of citizens with savings by 2023 • improving accessibility of healthcare and development of the services SberHealth and SberPharmacy • developing educational technology • supporting small business and microbusiness and bringing Sber portfolio in this area up to RUB 1 trillion
Governance	<ul style="list-style-type: none"> • developing an ESG Policy and establishing an ESG risk management system • improving stress-testing tools • launching ESG scoring by 2023 • updating Sber management principles and structure, reflecting sustainability KPIs¹ in incentives • maintaining leadership in ESG transformation in Russia • joining global ESG initiatives

¹ KPI – Key Performance Indicator

SBER CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS

Sber recognizes the significance of the 17 Sustainable Development Goals (SDGs) adopted by the UN General Assembly in 2015 and seeks to make a contribution to achieving these goals.

The SDGs are important benchmarks in addressing the world’s significant economic, social, and environmental problems. Sber is helping to achieve the SDGs directly through its activity as a responsible company, with the help of special programs and projects in the field of sustainable development, and also through the activity that it finances.

Sber's contribution to achieving the UN Sustainable Development Goals

UN SUSTAINABLE DEVELOPMENT GOAL	SBER'S CONTRIBUTION	DISCLOSURE IN THE REPORT
SDG 1: End poverty in all its forms everywhere	<ul style="list-style-type: none"> • increasing financial literacy • helping clients to best manage their personal finances, teaching bank clients about digital services and finance • developing service channels in villages and remote areas 	Ensuring accessibility of financial and non-financial services Improving financial literacy Development of socially oriented products
SDG 2: End hunger, achieve food security and improved nutrition, and promote sustainable agriculture	<ul style="list-style-type: none"> • improving financial literacy among Sber clients • proactive communication about social support measures • implementing charitable projects 	Ensuring accessibility of financial and non-financial services Improving financial literacy Development of socially oriented products Charitable and sponsorship projects
SDG 3: Ensure healthy lives and promote well-being for all at all ages	<ul style="list-style-type: none"> • a program to care for employees and their children (SberTeam#100) • supporting public health by providing life insurance services • supporting health of all our employees through implementing a voluntary health insurance program • fundraising and providing humanitarian assistance to those in need during the pandemic • supporting research projects to develop a vaccine against the coronavirus infection, as well as • free consultations using the SberHealth service during the lockdown • joint projects with the state authorities to help Russian citizens during the lockdown • developing the SberHealth service 	Effective teams Response to the coronavirus pandemic
SDG 4: Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Educational events held in 2020 <ul style="list-style-type: none"> • implementing charitable programs to support education, including through Sber’s Charity “Investment in the Future” • cooperating with universities • launching schools with the New Digital Skills Model • developing the SberClass project, personalized education in grades five through nine, developing a similar program for primary school • developing the Teachers for Russia project, launching the Directors for Russia project • AI-dedicated educational projects 	Financing of socially significant projects Sber educational initiatives Charitable and sponsorship projects

SBER CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS

UN SUSTAINABLE DEVELOPMENT GOAL	SBER'S CONTRIBUTION	DISCLOSURE IN THE REPORT
SDG 5: Achieve gender equality and empower all women and girls	<ul style="list-style-type: none"> • balanced distribution of jobs • ensuring an equitable system of performance assessment and compensation • information support for employees on parental leave • re-adaptation program for employees returning after parental leave • providing opportunities for employees on parental leave to earn additional salary • creating equal working conditions and career opportunities 	Staff structure
SDG 6: Ensure availability and sustainable management of water and sanitation for all	<ul style="list-style-type: none"> • financing waste-treatment infrastructure 	Green financing
SDG 7: Ensure access to affordable, reliable, sustainable and modern energy for all	<ul style="list-style-type: none"> • improving our energy efficiency • participating in renewable energy projects 	Climate action and increasing energy efficiency
SDG 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<ul style="list-style-type: none"> • creating jobs in the regions of presence • providing financial services to business in the regions of presence 	Development of footprint regions and assistance to local communities
SDG 9: Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation	<ul style="list-style-type: none"> • developing green lending • improving our energy efficiency • AI development 	Green financing AI-based environmental and climate action solutions Climate action and increasing energy efficiency
SDG 10: Reduce inequality within and among countries	<ul style="list-style-type: none"> • providing support for people with disabilities in the regions of presence through charitable projects and creation of an inclusive environment in the bank's offices and in the digital space • creating an accessible environment for the elderly, children, and foreigners in Sber's internal structural divisions 	Ensuring accessibility of financial and non-financial services Special solutions (inclusive solutions)
SDG 11: Make cities and human settlements inclusive, safe, resilient and sustainable	<ul style="list-style-type: none"> • developing infrastructure in the regions of presence • engaging people to become socially active through volunteerism, charity, tree planting 	Financing of socially significant projects Sber educational initiatives Charitable and sponsorship projects

SBER CONTRIBUTION TO ACHIEVING THE UN SUSTAINABLE DEVELOPMENT GOALS

UN SUSTAINABLE DEVELOPMENT GOAL	SBER'S CONTRIBUTION	DISCLOSURE IN THE REPORT
SDG 12: Ensure sustainable consumption and production patterns	<ul style="list-style-type: none"> participating in projects related to renewable energy sustainable recycling/production 	<ul style="list-style-type: none"> Green financing Climate action and increasing energy efficiency
SDG 13: Take urgent action to combat climate change and its impacts	<ul style="list-style-type: none"> developing and approving the 'green loan' concept reducing our carbon footprint incentivizing environmentally conscious behavior developing a carbon footprint compensation program 	<ul style="list-style-type: none"> Green financing Climate action and increasing energy efficiency
SDG 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development	<ul style="list-style-type: none"> facilitating fishery development 	
SDG 15: Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss	<ul style="list-style-type: none"> implementing practical environmental programs issuing digital cards reducing paper use incentivizing environmentally conscious behavior creating sustainable Sber offices 	<ul style="list-style-type: none"> Green financing Material efficiency Responsible waste management
SDG 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<ul style="list-style-type: none"> joining the UN Global Compact fighting corruption and fraud, money laundering, and the financing of terrorism developing cybersecurity and data protection participating in the process of improving the regulatory framework in the financial sector 	<ul style="list-style-type: none"> Membership in external initiatives and participation in ESG events in 2020 Response to the coronavirus pandemic
SDG 17: Strengthen the means of implementation and revitalize the global partnership for sustainable development	<ul style="list-style-type: none"> open and transparent interaction with stakeholders developing collection and provision of nonfinancial information working with the state authorities, including on ESG-related issues 	<ul style="list-style-type: none"> Stakeholder relations Membership in external initiatives and participation in ESG events in 2020

Stakeholder Relations

Sber builds open relationships of trust with all stakeholders based on mutually beneficial cooperation that serves the interests and needs of all parties involved. The Company has assigned responsibility for specific groups of stakeholders to the business units that primarily interact with them and works continuously to improve communications channels and feedback collection.

CLIENTS

Sber clients are our priority enshrined in the Company's values: "Everything for the Client".

Sber seeks to exceed customer expectations by providing products and services of the highest quality

- selling services through physical and digital channels
- processing complaints and negative reviews
- researching customer behavior to develop a value proposition
- monitoring customer relations through the Net Promoter Score (NPS) and the Customer Satisfaction Index (CSI)
- monitoring social media customer feedback

SHAREHOLDERS AND INVESTORS

Sber protects the interests of its shareholders and investors and provides complete and accurate information on Sber activities in accordance with global best practices

- General Meeting of Shareholders
- annual survey of investors' perception of the bank, assessing the strengths and weaknesses of our investment background, including in comparison with other companies in the financial sector
- discussing topics of interest to private shareholders at meetings of the Minority Shareholder Relations Committee
- meeting with investment funds and analysts to discuss current trends and questions on the bank's activity
- disclosing information in the Annual Report and the ESG Report

PERSONNEL

Sber cares about its employees, their health, their psychological state and provides opportunities for career growth and skills development. One of Sber's key values is "We Are a Team"

- mailings
- SberFriend corporate app
- SberTV, a television channel for employees
- screens and media façades in offices
- corporate events
- engagement surveys
- rabota.sber.ru, a career portal
- Sber Career social media accounts
- career events and special projects

GOVERNMENT

Sber is a strategic partner of the government and participates in key development projects at the national and regional levels

- participating in meetings with government authorities and the Bank of Russia on draft legislation
- sending proposals on improving legal regulation to the federal authorities and the Bank of Russia
- participating in social discussion of draft legislation
- monitoring legislative drafting by the government and the Bank of Russia; shaping the bank's position regarding upcoming changes

SOCIETY

Sber has a significant effect on its regions of presence where it creates jobs and pursues charitable projects to improve the quality of life

- charitable projects
- daily media monitoring in the regions of presence and on the Internet; preparing reports for senior management, including reporting negative publications in the media and client contacts with the supervisory authorities
- regular disclosure of information on the effect of the business on the economy, the environment, and the social sphere in accordance with international standards
- media activity: press releases, interviews with speakers, press tours

Membership in External Initiatives and Participation in ESG Events in 2020

RUSSIAN CHAPTER (CLIMATE GOVERNANCE INITIATIVE)

Sber is the general partner of the Russian Chapter of the Global Economic Forum Climate Initiative.

In 2020, Sber representatives took part in two events of the Russian Chapter. In September 2020, Nadya Wells, an independent member of the Sberbank Supervisory Board, spoke about Sber’s ESG agenda at the roundtable on “Business and Climate Change”. In December, a roundtable was held on “The Leading Role of Central Banks in Climate Regulation in the CIS”, at which Tatyana Zavyalova, Sberbank’s Senior Vice-President for ESG, spoke about the work of key international organizations on exchanging advanced practices in managing climate risks, and on the role of the Central Bank of Russia and Sber in this agenda.

UNEP FI: PRINCIPLES FOR RESPONSIBLE BANKING

In January 2021, Sber became a signatory to the global ESG initiative Principles for Responsible Banking.

Principles for Responsible Banking is a global United Nations Environment Program Finance Initiative (UNEP FI: Principles for Responsible Banking). The goal of the principles is to promote the sustainable development of the banking sector. Signatories to the initiative include more than 190 banks, with aggregate assets of more than \$50 trillion, or 40% of the global banking sector.

Access to UN expertise in this initiative gives Sber an opportunity to synchronize its own ESG agenda with global trends and to improve its sustainability reporting.

UN GLOBAL COMPACT

In early 2021, Sber also joined the UN Global Compact, the UN’s largest initiative in corporate social responsibility design to get major companies involved in sustainable development activity.

Sber shared the ten principles of the UN Global Compact even before joining it; among those principles are obligations to respect human rights, not to allow forced or child labor, to support a precautionary approach to environmental challenges, to be responsible for the state of the environment, and to fight corruption.

Sber pays significant attention to developing the ESG agenda in Russia, including by representing Russia on the global stage. To that end, Sber actively participates in sustainable development and ESG measures, and is also a member in related organizations and initiatives.

Independent assessments of ESG ratings agencies help Sber to determine areas for further improvement and to identify key risks and opportunities. ESG ratings also serve as a tool for communicating with investors and other stakeholders.

In 2020 Sber received assessments from several international ratings agencies: Sustainalytics, MSCI, SAM and S&P Global. Based on those assessments, Sberbank is drafting its 2021 activities roadmap to take systemic approach to improving ESG indicators.

Sber and leading global ESG ratings

Sustainalytics ESG Risk Rating	The ESG Risk Rating of the Sustainalytics agency assesses the level of ESG risks defined as the gap between susceptibility to ESG risks and the company’s measures to manage these risks. According to the assessment made in 2020, Sber shows Medium Risk and compares favorably to other companies in the industry.
MSCI ESG Ratings	MSCI ESG Ratings also assesses the company’s resilience to long-term ESG risks that are material to the industry. Sber has consistently received a BB rating, which denotes a medium level of risk relative to other industry companies.
SAM Corporate Sustainability Assessment (SAM CSA) ¹	Sber also participates in the sustainability assessment of SAM CSA. This rating is an annual assessment of companies’ sustainability practices, taking into consideration important industry issues.
S&P Global Environmental, Social, and Governance Evaluation	In 2020, Sber was assessed by the S&P Global ESG Evaluation, which covers the current ESG profile on the basis of the SAM CSA questionnaire and preparedness for future ESG challenges based on a series of interviews with management. The S&P Global evaluation made it possible to identify strong points and determine specific measures to strengthen Sber’s ESG position. Among the major conclusions of the evaluation are the high level of understanding of ESG problems among management, the integration of the ESG strategy in the business strategy to 2023, strong management potential, and the system for strategic management and implementation monitoring. To reinforce its position, Sber is developing a Sustainability and ESG Policy, continues to integrate ESG principles in its operating and lending activity, and creates reporting on progress in achieving ESG goals.

¹ S&P Global CSA from February 2021

Responsible Financing

Sber integrates sustainability and ESG criteria into its day-to-day activities and also develops responsible financing practices both directly within the Company and at the national level.

Sber is a member of the Bank of Russia's ESG-Finance Working Group, which analyzes and formulates guidelines regarding methods and further development of the responsible financing market and green financial instruments in Russia.

Responsible financing is a policy pursued by a financial institution that involves consideration of ESG requirements and risks when making decisions to finance projects and companies, as well as monitoring compliance with these requirements. Sber considers responsible financing to be a systemic approach to a fundamental transformation of lending and investment policy, and of how it interacts with clients.

Sberbank plans to set the pace in shaping responsible investment practices; as of now, it is already supporting the major companies' efforts in this area, creating important precedents in market development and striving to make them common market practices through participating in national initiatives.

ESG IN LENDING POLICIES FOR CORPORATE AND RETAIL CLIENTS

Sber acknowledges the place and the growing role of the ESG component in lending risk and seeks to increase the bank's investment appeal while maintaining the profitability of its loan portfolio.

In order to prevent a deterioration in the credit quality of borrowers as a result of damage from ESG risks, Sber is taking measures to change its lending policy¹.

In 2020, Sber added ESG risks into its risk management system and restricted lending to corporate clients with unacceptably high risks related to ESG. To do so, the bank defined its approaches to accounting for ESG risks in industry credit strategies and also developed a prototype tool to assess ESG risks to be integrated into the lending process once it is automated and calibrated. Examples of unacceptable ESG risks include environmental risks, corruption, tax evasion, use of slave or child labor, and forced resettlement.

Moreover, in 2020, we improved approaches and tools for stress testing to assess how prepared the management system was to the manifestation of various ESG risks, including the risks of cross-border carbon regulation and other climate-related and environmental risks². We plan to increase the coverage of stress testing and financial assessment of climate risks in 2021.

From the standpoint of responsible financing in retail business, it's important to note areas of development for Sber, such as reducing debt overburden, expanding the range of client groups (increasing accessibility of loans), compliance with the requirement of taking a fair and equal approach to everyone, without discrimination, and also environmental lending that takes climate and environmental factors into consideration.

Sber seeks to provide all its clients with comprehensive support on ESG issues. To this end, the Company is considering the possibility of classifying its client base by level of risk, using widely accepted international methods and databases on the ESG indicators and characteristics of customers. The creation of a customer base differentiated by ESG risks, environmental risks in particular, will allow us to offer products and services appropriate to various client groups, which will help them to develop and obtain the necessary support in improving their practices and mitigating ESG risks.

In November 2020, an event of significance to ESG lending at Sber occurred.

As a part of its efforts to develop the principles of sustainable development and responsible investment AFK Sistema concluded an agreement with Sberbank on opening a framework credit facility of RUB 10 billion with the possibility of tying the interest rate for each loan to trends in sustainable development indicators (Sustainability Improvement Loan).

This is the first ESG credit agreement between a Russian company and a Russian bank, which sets a new standard for responsible investments in Russia. By signing the agreement, Sistema Public Joint Stock Financial Corporation confirmed its intentions to approve the Environmental Policy and integrate the principles of responsible investment into its business model and its investment decision-making and asset management processes

¹ For further details, please see section "Managing ESG risks" on pp. 240–242

² For further details, please see section "Environmental impact management and green financing", on pp. 296–309

RESPONSIBLE INVESTMENT STRATEGIES FOR PRIVATE INVESTORS

Sberbank Private Banking (SPB) seeks to offer potential investors financial tools and services that comply with global development goals and satisfy the demand for smart, meaningful investing.

Direct contact with investors allows SPB to extend the philosophy of responsible investment to its clients, who are major owners of assets in Russia and worldwide.

To integrate ESG into its investment process, Sberbank Private Banking uses the ESG scoring mechanism.

With this goal in mind, a line of ESG indexes from Sberbank Private Banking was launched in 2019–2020. They show a return that is 3.78% higher than benchmarks and a risk level, measured in volatility, of 12.17% less (on average for three indexes since 2010). According to benchmarks, SPB indexes have performed better even in March and April 2020—they had a smaller decline and less price volatility during the pandemic-induced market downturn.

To make ESG investments more popular, SPB launched a series of special projects with Forbes and SPEAR'S magazines, has organized online breakfasts with industry representatives on ESG and responsible investment issues, and has also included an ESG News section in its weekly investment digest for customers.

Special projects of Sberbank Private Banking include:

- creating of a targeted fund to finance promising projects and startups at Lake Baikal;
- Sustainable Luxury: creation of a store to sell eco-products, support for luxury brands and Russian designers working with recycled and environmentally friendly materials;
- promotion of ESG initiatives in investing on behalf of endowment funds¹;
- mortgage registration service with home delivery.

Sberbank Private Banking plans to develop the market for responsible investing, and to create innovative products and new types of instruments on the basis of a unified understanding of ESG investments, and also to promote the development of responsible investing on the financial market in Russia.

At the end of September 2020, units in Sber–Responsible Investments (BPIF RFI Sber–Otvetstvennye Investitsii), an exchange-traded mutual fund investing into shares of companies complying with ESG principles and included into MOEX–RSPP Sustainability Vector Total Return index (MRSV), started trading on Moscow Exchange.

The MSR index includes shares of companies that publish sustainability reports and have received the highest RSPP ratings in December 2019. The MRSV Index has performed better than the IMOEX, an index of the most liquid shares in Moscow Exchange, since 2014, including 2020, when both indices fell but the MRSV Index performed better when recovering and growing after the downturn.

The entry threshold and fees in Sber–Responsible Investments are lower than for similar products in the Russian market.

¹ An endowment fund is a special-purpose fund for use for non-commercial purposes, often formed through donations and intended to support and develop science, education, medicine and culture.

Responsible investment

Sber Private Banking popularizes the philosophies of ESG and responsible investment.

In 2020 Sber Private Banking continued its strategy of forming a leadership position in the area of responsible investment and ESG.



2 new investment ESG indexes launched in January and June, 2020:

Solactive SPB Foodtech Index with strategy allowing investments into companies focused on FoodTech and healthy eating, such as alternative protein

Solactive SPB Circular Economy that enables exposure to shares of companies focused on using renewable resources, alternative energy sources, and recycling

Sberbank Private Banking ESG indexes

ESG INDEX	DESCRIPTION
Solactive SPB Foodtech Index	<ul style="list-style-type: none"> • offers investments in companies oriented to innovations in food and healthy eating: alternative protein; • consists of shares in 15 public global companies operating in the field of FoodTech; • developed using a proprietary technology that takes into account prospects for the development of food technologies, business models, liquidity, and capitalization of companies on the index <p><i>For more information, please see section “Environmental impact management and green financing” on pp. 297–310</i></p>
Solactive SPB Circular Economy	<ul style="list-style-type: none"> • offers the opportunity to invest in companies oriented to using renewable resources, alternative energy sources, and processing recyclable materials; • includes global companies with a capitalization of USD 10 billion or more and strong daily trading volume (such as Koninklijke Philips, Adidas, Nestle, Deutsche Telekom, Orange); • rebalancing of the assets of the strategy is performed quarterly <p><i>For more information, please see section “Environmental impact management and green financing” on pp. 297–310</i></p>
SPB Women Impact Index Europe	<ul style="list-style-type: none"> • makes it possible to invest in companies with high ratings for gender balance, which is linked to the companies’ indicators of return and sustainability; • tracks the involvement of women in the management of publicly traded European companies and other criteria as part of a proprietary methodology; • includes shares in 30 European companies

RESPONSIBLE INVESTMENT STRATEGIES FOR PRIVATE INVESTORS

Responsible investment



ESG ratings of issuers were included in the Advisory Tool and are used when creating investment recommendations.



Several projects have been implemented for the purposes of promoting the philosophy of responsible investment and ESG:

- series of special projects with Forbes and SPEAR's magazines;
- online breakfasts with industry representatives on ESG issues and responsible investment;
- ESG News section added to the regular analytical materials for clients.

Responsible investment initiatives of Sber Asset Management

Sber – Responsible Investments ETF (Exchange-traded Fund) was launched. The Fund aims for long-term capital gains through investment in companies with sufficient liquidity and high growth potential that adhere to ESG principles.



Methodology development and integration of the principles of responsible investment into corporate regulatory documents planned.



It is planned to receive an ESG rating for the asset management system from one of the Russian rating agencies.

DEVELOPMENT OF RESPONSIBLE FINANCING IN RUSSIA

Sber plays an active role in developing the agenda for responsible financing in Russia. Together with other market participants, Sber is forging the regulatory framework for classifying ESG risks and assessing environmental footprints.

Although the carbon footprint of banks may be modest, for their clients, especially industrial companies, the footprint may be significant. Sber seeks to create a mechanism that will incentivize clients towards responsible conduct, and to promote the ESG agenda among clients.

Sber also makes proposals on measures of support for the green agenda on the part of the Bank of Russia:

- Defining the sustainable financing methodology and taxonomy by creating an ESG financing framework, determining approaches and concepts.
- Reducing capital requirements: possibility of applying lower risk coefficients to ESG assets.
- Prudential reserves: possibility of applying different norms and rules when determining the size of reserves to be created.
- Liquidity requirements: possibility of refinancing and reducing liquidity requirements.
- Incentives for the market for green bonds and green funds.

For more information on Sber's participation in sustainability initiatives and measures, see "Membership in external initiatives and participation in ESG measures in 2020" on p. 236

Management of ESG Risks

Sber has developed and operates a unified ESG risk management system, which is integrated into the overall risk management system.

The Group uses a taxonomy of ESG risks and approaches to managing their subtypes. A plan was implemented in 2020 to develop the ESG risk management system, which was approved by the Risk Committee. Improvements were made to the methodology of risk management tools, including stress testing.

ESG risk affects and is a component of a number Sber's risks, with both high and medium risk levels.

The ESG risk management practice is developed within the framework of the ESG Committee working groups for ESG Risk Management and ESG and Green Products, which include representatives from a wide range of business units. The working groups pursue their own expert approaches to the integrated management of Sber's ESG risks; among other things, they develop tools to identify such risks, create an ESG rating system, upgrade all processes by integrating ESG factors into them, monitor ESG risks, and stress test for impact from ESG factors.

ESG risks in the Sber risk map

RISK	RISK LEVEL	EFFECT OF ESG RISKS
Credit risk	High	Deterioration in the credit quality of borrowers as a result of damage caused by the manifestation of ESG risks
Regulatory risk	High	Risk of late adaptation to changes in national and international legislation
Reputation risk	High	Probability of loss of reputation in the event of a manifestation of ESG risks (both direct losses for the company itself, and indirect losses related to projects and companies being financed)
Operating risk	Medium	Probability of late and/or insufficient adaptation of process to all material ESG factors
Conduct risk	Medium	Losses due to a failure to comply with good business practices
Strategic risk	Medium	Losses due to changes in consumer models under the influence of ESG factors and inadequate adaptation measures
Investment risk	Medium	Change in the value of assets due to ESG factors and a drop in investment return
Model risk	Medium	Insufficient implementation of ESG in current models; need to develop new models
Liquidity risk	Medium	Possibility of an outflow of liquidity due to a reaction to violations of the principles of responsible financing, manifested in related risks

In 2020, we worked extensively to develop ESG risk management system for lending:

- We introduced assessment of unacceptably high ESG risk into our lending process and restricted lending to corporate clients with unacceptably high ESG risks. Examples of unacceptable ESG risks include environmental risks, incidents of corruption, tax evasion, use of slave and child labor, and involuntary resettlement.
- We defined approaches to accounting for ESG risks in industry credit strategies.
- We developed a prototype tool to assess ESG risks (to be integrated into the lending process once it is automated and calibrated).
- We laid down approaches to stress testing of climate and environmental risks. We plan to increase the coverage of stress testing and financial assessment of climate risks in 2021.
- We stress tested impact of cross-border carbon regulation and national environmental regulation.
- We started assessing carbon intensity of our loan portfolio.

While implementing the responsible financing practices, Sber faces various challenges, including ESG risk manifestation through our supply chain, unfair business practices, and tax optimization in small businesses. In 2021, Sber intends to address those challenges as part of improving tools used to account for ESG risks, among other things, to expand scope of ESG risk analysis to cover the entire supply chain; to conduct environmental due diligence for the largest transactions; to survey our customers, and to label green and ESG transactions based on our own ranking model using ESG indicators. By 2023, Sberbank plans to extend ESG scoring to our entire loan portfolio.

Management of ESG Risks

During its lending process, Sber accounts for environmental risks in valuations of pledged real estate. The environmental risk exposure factors into loan commitments, when determining whether collateral is acceptable for using the internal ratings-based approach, as well as in the subsequent collateral monitoring.

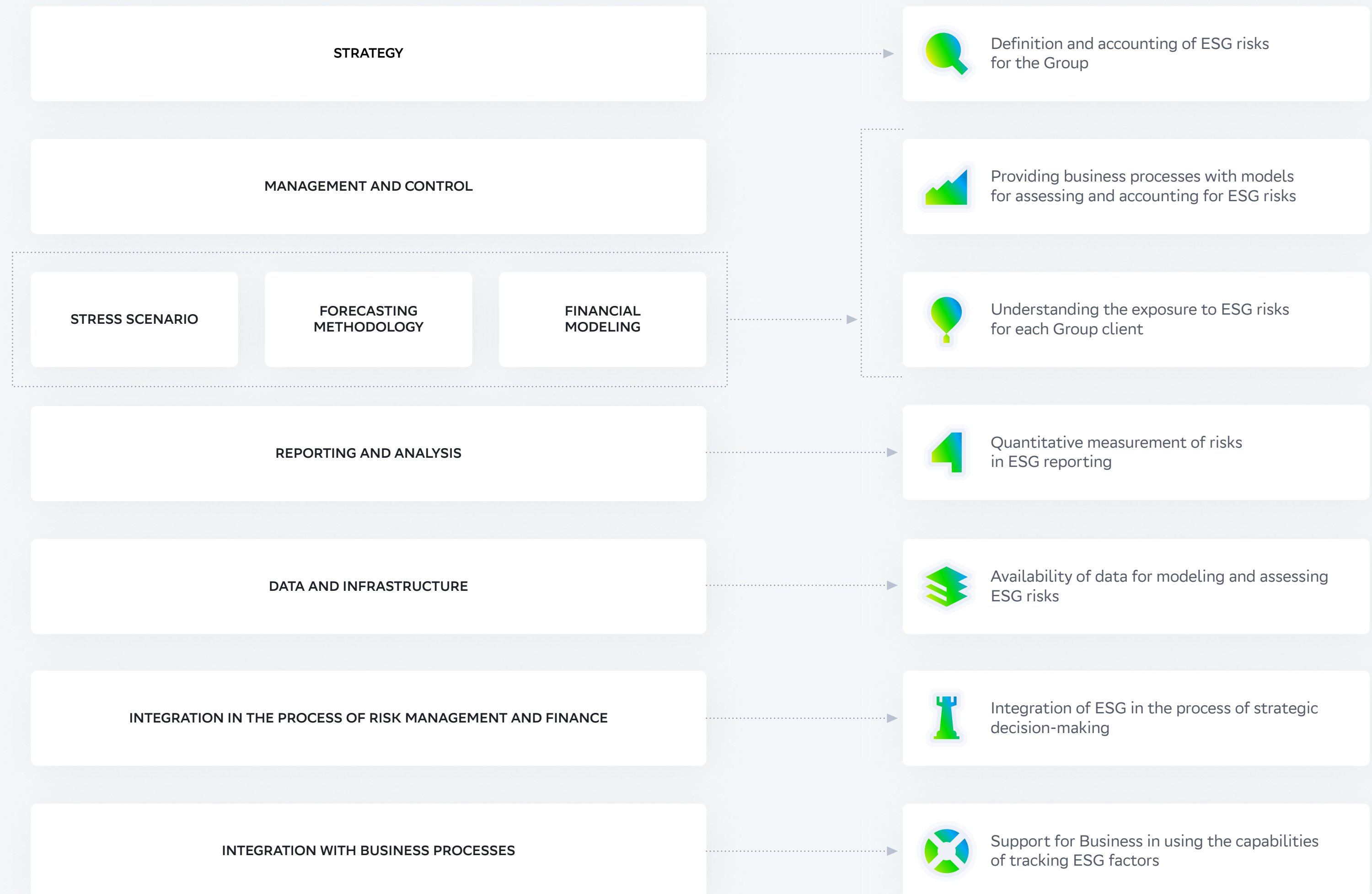
Our templates for loan agreements, bank guarantees, and mortgages provide for compliance with the requirements and conditions of the legislation on environmental management when using the collateral. For instance, such liability is covered by loan agreement covenants, and the bank is entitled to demand early fulfillment of the obligation should the borrower/pledger violate any norms of environmental legislation.

We control the environmental risk exposure related to real estate in industries that have a negative impact within the framework of monitoring the collateral both during document audit and on-site property inspection. And if any violations are identified that information is reflected in the Bank's automated systems and escalated to the lending unit, the Risk Management, and the Collateral Management Service.

As for the risk of changes to legislation, an important aspect is the risk of late adaptation to changes in national and international legislation, particularly environmental and climate-related legislation. To manage these risks, Sber is creating a system of continuous monitoring of legislative changes and a system of measures to take these changes into account and to inform Company divisions of them.

Reputation risk means the probability of a loss of reputation due to a manifestation of ESG risks. To manage this category of risks, Sber plans to assess the potential effect of ESG risks related to financing projects with high ESG risks and the risks of violating the principles of good business practices on Sber's reputation.

COMPREHENSIVE IMPLEMENTATION OF ESG RISK MANAGEMENT IN THE GROUP STRUCTURE



Responsibility to Customers

- [244](#) Ensuring Accessibility of Financial and Non-Financial Services
- [247](#) AI Implementation in Customer Services
- [250](#) Improving Financial Literacy
- [252](#) Special Bank (Inclusive Solutions)
- [254](#) Development of Socially Oriented Products
- [257](#) Cybersecurity, Data Protection and Fraud Prevention
- [260](#) Response to the Coronavirus Pandemic



Recognizing the fullness of its responsibility to customers, Sber seeks to ensure that our services are as accessible as possible to all of our clients¹, regardless of their abilities, their health, or their place of residence. Sber pays special attention to ensuring economic security and protecting the personal data of our customers.

IT'S ADVANTAGEOUS, CONVENIENT AND RELIABLE WITH SBER



¹ For further details, please see 2020 Annual Report, Part 1, section Retail Business on pp. 38-39

Ensuring Accessibility of Financial and Non-Financial Services

We ensure access to the services and products of our ecosystem, without restrictions

RATINGS AND RESEARCH



Global Finance

Seven of the bank's digital services for individuals and legal entities were named best in Central and Eastern Europe



USABILITYLAB

Second place in the rating of mobile banking apps convenience for individuals



SME Banking Club

Sberbank Business declared best online bank for small and medium business in Central and Eastern Europe

AWARDS



World's Best Digital Bank Awards

- Best integrated official website
- Best solution in information security and fraud management
- Best solution for paying bills



Banking Technology Awards

Best and most innovative solutions in banking services



CX World Awards

The annual CX World Awards determines the most interesting and successful projects, initiatives and strategies in the field of customer experience.

- Four Sberbank projects declared winners in their categories.
- Seven services were awarded a high rating



Digital Leaders

The mobile app SberBank Online was declared the winner of the Digital Leaders prize in the category Mobile App of the Year



Runet Rating

SberBank Online was declared a prizewinner in the categories "Finance and Business" and "Brand App".



Innovation Time

Services for individuals and legal entities received 10 awards

DEVELOPMENT OF SERVICE CHANNELS

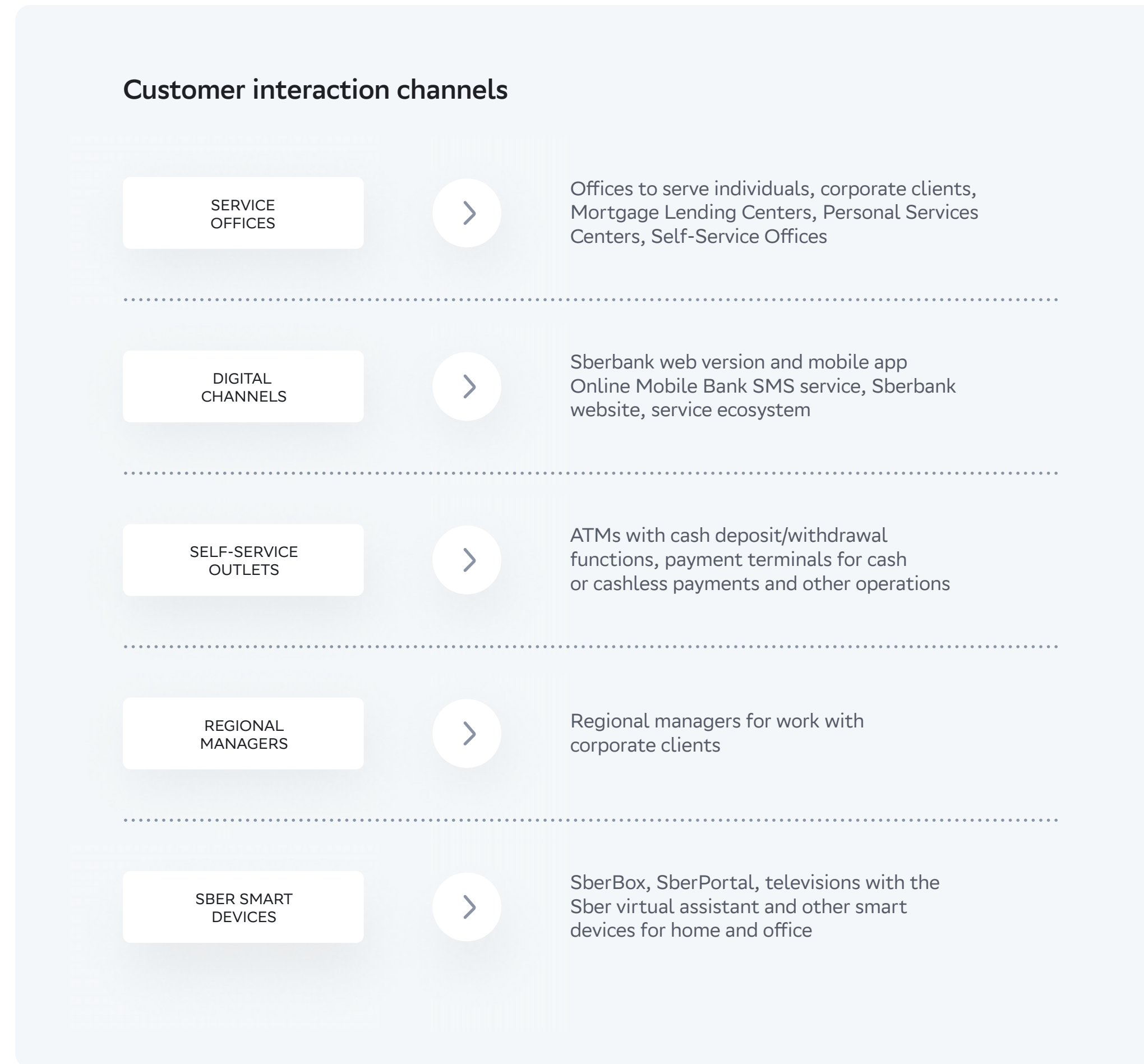
The large variety of channels for interacting with customers is a clear advantage of Sber. In 2020, it was especially important to provide our clients with the ability to access all banking services online, in order to reduce face-to-face contact. Sberbank proved it was fully up to the task—virtually all services that are provided in our offices could be obtained through SberBank Online¹ (both the web version and the mobile app).

We are also developing our offline channels—the country’s largest branch network. This is a place to obtain non-digital services, as well as the opportunity to speak with clients in person, plus one of the world’s largest network of self-service outlets.

Sber is creating new non-banking online channels, and now also smart devices. For Sber, these have become our “doorway to the home” of our customers.

- **SberPortal**—is a multimedia smart display equipped with a virtual assistant that can be controlled by sensors, voice, and gestures. The device offers users access to view the content of the Okko online movie theater, games, music in the SberSound service, and other content. It is expected that SberPortal will be able to interface with other Sberbank devices в рамках единой экосистемы.
- The **SberBox** multimedia TV dongle will also offer the ability to use Okko, watch TV, and listen to music through SberSound. Users will be able to control the device with voice commands.

¹ For further details, please see 2020 Annual Report, Part 1, section Retail Business on pp. 39–40



NEXT-GENERATION OFFICES

In September 2020, Sber opened its first office of the new format in Moscow—a space in which visitors have a unique user experience that combines the best practices of the online and offline formats of working with customers.

New approach to providing banking services

In the new office, clients will continue to be offered all previous financial services, but they will be on a whole new level. Biometrics has made it possible to provide services without a passport. ATMs combine modern design, materials and technologies, and intuitive ergonomics. Money can be withdrawn using a card or a smartphone, or contactless using a voice assistant or simply with a smile—a facial recognition system is available on the ATM. This is a unique technology, and SberBank is the first in the world to implement it in ATMs.

A window into the Sber ecosystem

In the new Sber office you can send and receive parcels, sign up for the Okko multimedia service, test the SberPortal smart display, get a special offer from Delivery Club and SberMarket, buy tickets for movies or concerts, and order a taxi. The number of products and services will grow constantly. The space of the new office can be used for various kinds of events: master classes, seminars, and discussion clubs. All of this can be combined, making a trip to Sber as useful as possible.

A new space to talk

Sber has a whole new take on what a bank branch can be. The space is open, mutable, and free of barriers. The client can receive all traditional and new services at any place in the office convenient for them. Employees work with tablets, and all cash operations are carried out by an electronic teller.

ACCESSIBILITY FOR FOREIGN CLIENTS

In 2020, the Bank continued to expand its service offering in foreign languages. Presentations showing the advantages of the Bank's products became available at our offices for clients in Chinese, Korean, and Japanese; these presentations had previously been prepared in English, Tajik, and Uzbek.

In all ATMs, three primary operations (cash withdrawal, account balance, and cellphone payment) are available in Tajik, Uzbek, English, and other languages.

A new product for foreign customers was launched in 2020—the Foreigner's Assistant package, which the customer can use to obtain legal advice or telemedicine services in English, Azeri, Armenian, Kazakh, Kyrgyz, Russian, Tajik, or Uzbek.

We want to remove the language barrier to using our services, and for this reason we are systematically working to translate our various service channels into foreign languages. Convenience in interacting with the bank is one of the main priorities of our work. We plan to continue to improve the accessibility of our services, thanks to an expanded list of languages in which they are offered.

TRANSFER SERVICE

SberBank completed transition to a new tariffication model for transfers within the Bank. By the end of 2020, the new tariffication had significantly reduced the number of customers who had to face a transfer fee, since almost 90% of our customers make less than the free RUB50,000 of transfers per month. And our active users appreciated the convenience of our new transfer subscription service in SberBank Online.

Starting from 2020, any client can track their SWIFT transfer in SberBank Online, as well as contact a foreign bank free of charge to clarify the transfer status and details or cancel it through the mobile application interface. This innovation has reduced the number of requests from our customers to search for funds and confirm the debiting of funds to accounts abroad by 10%.

Sberbank connected 23 new partners to the instant international transfer system for individuals in 2020, vtheir total number reaching 29.

Money can be transferred abroad to a card by telephone to eight countries and territories from the former Soviet Union—Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Tajikistan, Uzbekistan, and Transnistria.

3.6 MN

In 2020, about 3.6 million customers took advantage of flexible transfer subscriptions enabling them to customize our tariffs and make all transfers within the Bank without any fees, whatever the amount.

The ecosystem for instant transfers within Russia also continues to develop. New partners joined the ecosystem in 2020; among them Home Credit Bank, MTS-Bank (ATMs), and Alfa-Bank. The total number of partners in the ecosystem participating in transfers to and/or from Sberbank in Russia reached 14.

In May 2020, P2P transfers for individuals service became available to SberBank's clients via the Express Payment System.

PAYMENT TOOLS

+17

new communications operators in the CIS were connected during 2020

+80 %

increase in the number of trips paid for by card

77

cities across the country accept cashless payments for Government services at PSCs through the Sberbank service

77 %

of housing and communal services can be paid through the new Sberbank services at the end of 2020

The development of the international payments market continues—17 new communications operators in the CIS were connected during 2020. SberBank Online and self-service outlets can now be used to top up your balance with 19 mobile operators from Tajikistan, Uzbekistan, Kazakhstan, and Kyrgyzstan.

The bank card has become the most popular payment instrument on public transit in the Russian regions. This option is available in 140 cities. The number of trips paid for by card rose 80% in 2020.

Sberbank continues to develop its service of cashless payment of services at Public Service Centers, to pay duties at the same time documents are arranged. Government services at PSCs can be paid via the Sberbank cashless service in 77 cities across the country.

In November 2020, we launched new services aimed at simplifying residents' payment of utilities fees. As of the end of 2020, a service that allows amounts due to be provided to the Bank through offline payments is available for 77% of services.

SMARTPHONE TERMINAL

Sber offers a new contactless technology for receiving payments using a smartphone for small and micro-business in all regions of Russia. The special Tap on Phone app makes it possible to use any Android smartphone as a terminal to accept cashless payments. This solution opens new opportunities for owners of businesses where the average bill is modest.

Tap on Phone technology makes merchant acquiring more accessible to small and micro-businesses, not only due to the low cost but also thanks to the ease of connection and use. In order to start accepting payments using this technology, all that is needed is to download and install a special mobile app developed by Sberbank for the Android operating system. After signing a contract with the bank and activating the app, the partner can start to accept contactless payments by card, following the simple on-screen instructions.

CONSULTATION IN VIBER

Sber has begun to offer advice to its corporate clients in Viber. In this messenger app, advice from the bank's consultants on opening correspondent accounts, arranging salary projects and loans, cash services, and other issues is available around the clock.

AI Implementation in Customer Services

We believe that virtual assistants will create a new, most comfortable and convenient customer experience in various areas

Sber seeks to provide a unique user experience by actively implementing modern information technology, including technology based on artificial intelligence (AI) and machine learning, in our activities. Our goal is to ensure that in using our services, clients quickly complete their tasks and are happy with the results.

Awards



Gold

The telemarketing robot won Gold in the category **Best Use of Digital**.



Silver

Best Use of Customer Insight & Feedback for the implementation of AI technology in retail customer support.



Silver

Contact Centre—the Bank’s contact center in Stavropol for projects to improve the quality of customer service using AI technology.



Prizewinner with technology for recognizing emotions when working with customers on issues of settling problem debt.



Chatbot for corporate clients—the category **Discovery of the year** in the area Business and Service



SberBusinessBot—**Service Solution of the year** in the category Artificial Intelligence, Robotics, and Digital Economy.

AI IN SBER SERVICES

AI in retail contact centers

The automated system of smart quality management implemented at SberBank’s retail contact centers has learned to analyze the work of call center operators, identify errors, and help to correct them. Previously this was done manually by special bank employees, who managed to listen to only 1% of dialogues with customers, but by the end of 2020 this figure was raised to 20%.

The smart quality management system combines the knowledge of highly qualified specialists in client service and Data Science with the leading technologies and algorithms of artificial intelligence. It identifies cases where the operator was impolite, interrupted the customer, didn’t understand the substance of the question, or was unable to help in a critical situation. The system also makes it possible to identify errors that lead to incorrect solutions, and to correct such situations before they affect the client.

In addition, using a machine-learning (ML) model, the system calculates how well the employee will work in the coming two months, and assigns a reliability score that makes it possible to assess how many manual checks will be needed and in what areas.

The system has proven itself in the work of more than 11 thousand operators, and its data are used in the incentive system. An anonymous survey showed that employees of contact centers had a favorable view of the implementation of assessments using AI, considering it to be more objective.

AI in the business contact center

Sber has improved the speed of servicing of entrepreneurs in the Corporate Solutions Center (CSC)—a contact center for legal entities that uses artificial intelligence. The Unified Operator’s Desk (UOD) system integrates the UOD.Assistant service—a natural language processing (NLP) model that transcribes the caller’s words in real time, analyzes and classifies the call, finds the necessary information, and suggests to the operator how to correctly advise the client.

Entrepreneurs contact the CSC on a wide range of issues—there are more than a thousand different topics. The operator must attentively listen to the client, immediately understand the crux of the question, and quickly find all necessary information. The UOD.Assistant makes this task much easier, doing all the hard work for the operator, who can now focus on talking with the customer.

In 2021, Sber plans to expand the number of topics covered by UOD.Assistant. This will make it possible to speed up the solution to question by 10% on average, saving almost 40 seconds on each call.

AI IN SBER SERVICES

Sber Voice Bot for contact centers

Sber has expanded the capabilities of its voice bot, which advises clients when they call the contact center. About 60% of all customer questions—and those number 11–12 million calls each month on the average—can be resolved using the voice bot. Bank operators are available to help customers to address more complex questions.

Thanks to modern technology, in a third of cases we immediately know what question the customer is calling to ask, even before the customer has asked it, and we can instantly provide high-quality service. Speaking with the bot means zero time spent waiting and the maximum benefit; the bot makes it possible to answer the most common questions addressed to the bank at any time of day or night.

The robot can successfully replace the operator if the customer needs the following:

- to find out the balance on a card/deposit or the annual cost of servicing a card
- to block a card
- to connect to the mobile bank
- to find out the delivery status of a card
- to check the amount of debt on a loan or a credit card
- to obtain a statement
- to find a bank branch

The Bank regularly introduces new skills that expand the abilities of the voice bot.

>20_{MN}

More than 20 million calls are taken by the Sber voice bot each month

Salyut family of virtual assistants

Sber Salyut is the world’s first family of virtual assistants with different characters, habits, and outlooks. Each user can choose the assistant closest to them in spirit.

We were the first in the world to create not just one assistant, but a whole family of Salyut AI assistants, to give users the chance to select who they feel most comfortable talking to at any given moment. The assistants of the Salyut family are distinguished by high emotional intelligence: thanks to an advanced dialogue platform, each assistant is able to carry on a dialogue in a way unique to them.

Assistants are able not only to carry on a conversation and find answers to questions, but also to order food, make an appointment with a doctor or a beauty salon, transfer money to relatives, or pay the cellphone bill. All assistants have the same, identical set of capabilities, and for this reason when choosing one or the other or switching between them, the user will in any case have access to all that the technological platform and ecosystem of Sber has to offer.

In autumn 2020, Sber for the first time opened up the platform SmartMarket to external partners, giving everyone from beginning businesspeople to major companies the ability to teach new skills to the Salyut family of virtual assistants.

SmartMarket gives business the opportunity, free of charge, to develop skills for the Salyut family, to promote their products and seek out new clients by interacting with the more than one hundred million users of the Sber ecosystem. For those partners who decide to earn income from their services and connect to their service payments, Sber has added a revenue-sharing program.

AI SOLUTIONS FOR BUSINESS

Sber Businessbot helps to reduce the load and expense on companies’ contact centers

Sber has developed a unique chatbot platform for legal entities. The Sber Businessbot cloud service lets companies cut their expenses and the number of lost clients thanks to the fast, simple, and inexpensive creation of chatbots (virtual digital assistants) to service clients on the company’s website or messenger app. The customer can speak with the automatic assistant in chat the same way as with a real person: to ask whether a particular product is in stock, inquire about the terms of delivery and returns, and so forth.

The platform already has readymade service scenarios in action for various business sectors. For example, for online shops, answers have been prepared for questions about delivery, how to order, how to pay for or return goods, contact information and addresses of stores; for travel agencies, the bot can tell about the rules for getting visas, booking tours, and organizing trips. Any company can select readymade scenarios or create their own.

Since the start of the pandemic, our clients have begun to actively seek out opportunities to optimize expenses, with many of them seeing the load on their remote channels going up several times over. Sber Businessbot helps clients to cope with these challenges. Use of the service can reduce the load on contact-center operators by 20–30%. Expenses go down accordingly, while the quality of client service goes up: unlike a human being, the bot can answer customer queries instantly and around the clock, never gets tired, and is never in a bad mood.

AI-based company due diligence

Sber created and patented Russia’s first system for due diligence of legal entities for legal capacity using artificial intelligence.

Over the course of 2020, more than 2.5 million legal opinions were prepared with the assistance of a robot lawyer developed by the Sberbank Legal Department. The robot can significantly speed up business processes and prevent errors in the manual processing of large masses of data and review of information on counterparties. The process of analyzing a legal entity takes seven minutes on average.

The robot checks up on counterparties by recognizing and extracting legally significant information from documents. It checks for information on bankruptcies, liquidation and reorganization of legal entities, the accuracy of information contained in statements from the official corporate register (EGRUL), the authorities of signatories to conclude transactions, and many other parameters. The system analyzes information from more than ten documents.

The robot could enjoy wide demand on the market in various business sectors, anywhere where the legal capacity of clients and counterparties needs to be reviewed.

SBER AI SOLUTIONS FOR MEDICINE

The most promising and fast-growing segment is the market for digital healthcare. Sber is growing the SberHealth digital platform to create a unique customer experience that covers all key stages for the end user. Sber’s ambition is to occupy leading positions in 2023 in key segments of the AI-based digital healthcare market.

Artificial intelligence ecosystem for the needs of medicine

In December 2020, Sber and the Skolkovo Institute of Science and Technology announced the signing of a deal to create an ecosystem to develop the use of artificial intelligence in the Russian healthcare system. The operator is the company SberMedAI, founded in summer 2020. The ecosystem would combine the innovative developments of SkolTech’s research teams with Sber’s cloud engineering infrastructure and would become the technological foundation to create healthcare services. Developers would gain access to new opportunities to work with algorithms, an exclusive set of structured medical data, and a set of tools to process them.

SberMedAI and SkolTech are developing medical solutions on the basis of 50 AI models. These services are already in use by healthcare institutions in 16 Russian regions with a total population of more than 40 million.

The use of modern technology in healthcare is a defining factor for the quality of medical assistance and its accessibility and serves the interests of both doctors and patients.

Completion of medical documentation by voice

Today, with healthcare under tremendous pressure, modern technology and AI-based products come to the rescue. The STC (Speech Technology Center) Group of companies, part of the Sber ecosystem, optimizes the work of medical institutions in various areas, including radiology, with the help of smart voice technologies.

The basis of the solution is Voice2med, a product based on artificial intelligence, created by the STC Group from scratch. Voice2med makes it possible to dictate information for charts, records, and other documents through a special microphone. The system recognizes all medical terms and expressions, while the speech recognition quality is 97–98%. During an examination, the physician dictates text that is recognized in real time and automatically transferred to a record being completed in the medical information system.

Voice2med relieves the daily graft pressure on medical workers, saves more than 20% of time by filling out protocols, improves protocol quality and, most importantly, allows healthcare professionals to concentrate on examining and treating patients.

SBER AI-BASED SOLUTIONS FOR TRANSPORTATION

Chatbot for the Moscow Metro

Sberbank offers Muscovites and visitors to the city the most modern digital services both in finance and in many other spheres of everyday life.

The STC Group (part of the Sber ecosystem), together with the Moscow Bank of Sberbank and the Moscow Metro team, have introduced a chatbot for passengers. During focus-group testing, the virtual text assistant automated 75% of queries without resorting to an operator. In full-scale operation, the virtual assistant has shown an automation level of 88%. The bot is available in the Moscow Metro app.

88%

The Moscow Metro chatbot handles 88% of questions without having to transfer to an operator

Improving Financial Literacy

Improving financial literacy and the digital security of the public is an important social and strategic objective of Sberbank. Financial acumen is key to high living standards, so we help our customers to learn more about how to properly manage money, invest, and protect themselves from fraud

To achieve this objective, a large number of programs are in place for various social groups, such as senior citizens and children, residents of children's homes and salaried clients. Our initiatives help to foster a responsible attitude to personal finance in society.

Sber is a key partner of the state in implementing the national strategy to improve financial literacy of the people between 2017 and 2003 and to develop financial education in the Russian Federation. For that purpose, Sber closely cooperates with the Bank of Russia, the Ministries of Finance and Education, as well as with the National Center for Financial Literacy and other institutions for financial edification.

AWARDS



reddot design award

Award for the set of educational initiatives implemented through the SberBank Online mobile app.



The jury gave a high rating to the project to teach financial literacy to youth aged 14–21 through the SberCat chatbot.



The winner is the program “Financial literacy from SberBank”

IMPROVING FINANCIAL LITERACY AMONG SENIOR CITIZENS

During the pandemic in 2020, we launched a large-scale campaign to teach pensioners about digital services, which became available to them during the lockdown period. A number of large-scale programs were introduced for the elder generation; the Bank conducted seminars, lectures, and webinars, some with sign-language translation. As part of the Moscow Longevity program, Sber developed a training course oriented to the elderly. In conjunction with the Memory of Generations Foundation, we conducted sessions on digital financial security for senior citizens at the Public Centers of bank branches in a large number of regions.

We also developed a video training course “Rules of Safety When Using Bank Products” and a financial literacy test. In the course of the year, materials on various aspects of financial literacy were published on the Active Age (Aktivnyi Vozrast) website, in SberBank Online channels, and social networks.

>20_{MN}

More than 20 million pensioners in Russia learned about Sber's online services during a campaign to teach digital services, which help those who must self-isolate during the pandemic

FINANCIAL LITERACY FOR CHILDREN AND YOUTH

Teaching financial literacy from an early age gives knowledge and skills to effectively handle money, lays foundations for future success, that is why Sber pays a lot of attention to programs for children and youth.

From the age of 6, children start receiving spending money. Self-management of money gives a child an opportunity to practice the basics of financial literacy, that is to feel the value of money, to learn how to plan a budget and make savings.

A bank card for children is a modern way to teach them control over the money. For children younger than 14, Sberbank has a children's card with SberKids mobile app. With the virtual SberKids card, a child can pay for their purchases with their smartphone and online, monitor their spending, save for a dream in a secret piggy bank, and develop financial skills in SberKids mobile app. Parents do not have to worry about their children's spending, as they can check the child's card balance at any moment, view the transactions history, set limits, freeze or reissue the card in SberBank Online.

In 2020, the app continued developing. A series of videos was created in the SberKids application (554,000 users) with placement on Okko, a special project with NauchPok was launched on the STS Kids channel and YouTube and seen by 1.7 million people.

The Sberbank Charity “Investment in the Future” has developed a financial educational game “Investment” for school-age children, in which they learn to plan a budget, make decisions, think critically, and evaluate the profitability of investments under conditions resembling real life.

In 2020, Sber continued active development of the SberCat project, a channel for youth in the VKontakte social network and the SberBank Online mobile app. The SberCat channel in VKontakte and the SberBank Online mobile app continued to instruct users in financial literacy, posting memes and useful advice for its audience on how to save and how to spend, how to get an education now and pay later, how to use SberSpasibo bonuses, how to use piggy banks, etc.

The application makes extensive use of memes and gamification to bring complex financial topics closer to the target audience.

SberBank traditionally supports the All-Russian Savings Weeks for children and adults held by the Ministry of Finance. More than 5 million people attended family festivals, online lessons, virtual tours of the Bank, games and master classes offered by our experts.

SberBank is also an active participant in measures conducted by the Bank of Russia, e. g. it regularly gives “Online Lessons for Youth” on the Dni-fg.ru platform. The speakers from the Bank tell children how to properly make a deposit, when it makes sense to take out a loan, and how to safely use mobile banking.

In January 2020, before the start of the pandemic-related restrictions, Sber gave lectures to students at Russian universities and colleges. Sber senior managers spoke to the students about modern rules for managing finances in the digital era. More than 20,000 students from more than 170 institutions countrywide attended the lectures in honor of Students' Day.

The Bank considers programs aimed at teaching socially vulnerable groups to be especially important. For children living in orphanages, the Investment in the Future Foundation has developed a financial literacy program and a series of educational courses that are given by trained volunteers from SberBank. The program aims to teach listeners how to reasonably handle money, safe financial conduct, and also to develop financial skills that can grow into automatic habits when working with accounts and using bank cards.

13.9_{MN}

subscribers to the SberCat chatbot

Improving Financial Literacy

FINANCIAL LITERACY IN A PANDEMIC

Mandatory lockdown changed people's lives substantially in 2020, including in terms of personal finances. More and more, financial operations are moving to remote channels, which not only opens up new possibilities for users, but also creates certain challenges for some of them, especially those in older age groups.

Another grave danger is the increasing activity of various fraudsters, using both digital technology and social engineering to gain access to confidential financial information. Under these conditions, Sber made every effort to protect its clients, and training webinars on financial security conducted by the practicing specialists of Sberbank became an important link in this protection.

As part of the anti-crisis project of the National Center for Financial Literacy (NCFL) "Pandemic and Crisis: Let's Protect Our Finances", Sber gave 25 online lectures aimed at various categories of listeners. The bank's employees talked about ways to protect personal data, methods to safely perform financial operations via remote channels, tricks for fighting cyberfraud, and also other current issues of protecting savings in changing social and economic conditions.

> 2 MN

Between April and October 2020, more than two million people saw the talks given by the Bank's experts using the popular social network Odnoklassniki.

FINANCIAL LITERACY FOR PEOPLE WITH DISABILITY

In 2020, Sberbank launched the #EasyFinance (#FinansyDostupno) social project, which helps to make banking services equally understandable for everyone, including people with disabilities. The deaf bank employees participated in a series of five videos on finance in Russian sign language. They told about SberBank's special services for people with hearing impairments, gave advice on safely managing personal finances, shared safety rules and tips on how to work with the SberBank Online app.

8 MN

the project coverage

For visually impaired customers and their loved ones, the bank has prepared audio and video tutorials on how to use the Sberbank Online mobile app using screen readers. They explain step by step how to make a transfer to another bank client, pay for housing and utility services, top up the phone balance and perform other popular operations. The work of the application is demonstrated by the bank's blind expert. The coverage is 15 million people.

FINANCIAL LITERACY FOR EMPLOYEES

Events of the Financial Literacy Week for employees, as well as courses "ABC of Finance", the Welfare Academy, webinars in the "Dialogues with Experts" series, the Cybersecurity course, etc.

> 280 K

the project coverage

FINANCIAL LITERACY FOR EVERYONE

Educating the people to use online services safely and effectively, teaching them cybersecurity rules, strategies for accumulation, investments, and use of loyalty programs are regularly offered through Sber's own channels, such as sberbank.ru, the SberbankOnline app ("Beware of scammers!" option), Easy.Investments (Investitsii.Dokhodchivo), Academy of the First etc.

Starting from October 2020, we have been running the SberInvestments channel in Telegram for retail investors, both the beginners and the experienced ones. It is based on investment analytics on the Russian market from the SberCIB Investment Research team.

FINANCIAL LITERACY FOR BUSINESS

Sber and the educational Internet portal for lawyers "LF Academy" have launched a joint product "Academy.Sberbank". The Academy.Sberbank section hosts video lectures by specialists of the Department of Distressed Assets of Sberbank, covering current issues of bankruptcy and enforced recovery, and work with bad debt in general.

Another initiative was launched by Sber together with Google and the Agency for Strategic Initiatives—a free training course "Become an Entrepreneur: Business Z Style" for youths from 14 to 25 years old. It will be of use to those who are taking their first steps in the world of business or are even just considering whether to start their own business. The course will be part of the "Business Class" business skills development program from Google and Sber.

From November, we offer a new express course for entrepreneurs "Everything about 'Blocking' Accounts", which consists of seven modules with theory, useful links, practical assignments, case studies, and a final test.

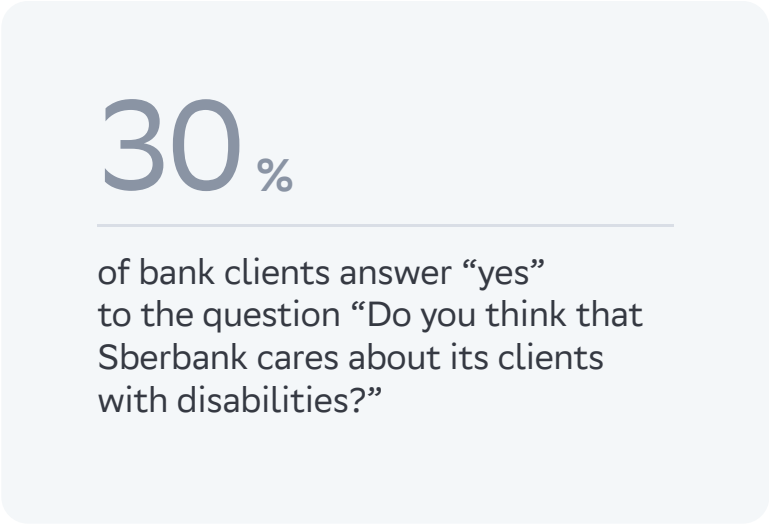
Together with Google and the Federal Agency for Tourism, we presented a new anti-crisis Business Class for the travel industry "Tourism: How to Start Your Business and Sail through the Storm". The program unravels the situation in the travel industry caused by the COVID-19 pandemic and builds on the rising interest in business training. The new course will help entrepreneurs who are developing the tourism potential of Russia to create an effective business model and turn their love for the hospitality industry and travel into their life's work, even in such a challenging time.

Special Bank (Inclusive Solutions)

Ensuring that all banking products and services are accessible is one of Sber’s fundamental operating principles.

We are very attentive of people’s needs, and we do all that we can to see that everything is comfortable, convenient, and understandable to every client. This means that every person, regardless of the state of their health, should have the ability to freely use any of our products—to go into an office, go onto our website, or use our mobile app—and find the services they need, without any limitations.

The work to create an accessible environment starts with the receipt of feedback on the special needs of people with disabilities, which can be communicated through the SberBank Online internet banking system and in the bank’s offices.



BARRIER-FREE ENVIRONMENT AT SBER

For us, it is important that each customer in SberBank branches feels comfortable and safe. We try to make our Sberbank offices and ATMs accessible to everyone, taking the needs of senior citizens and people with disabilities into account.

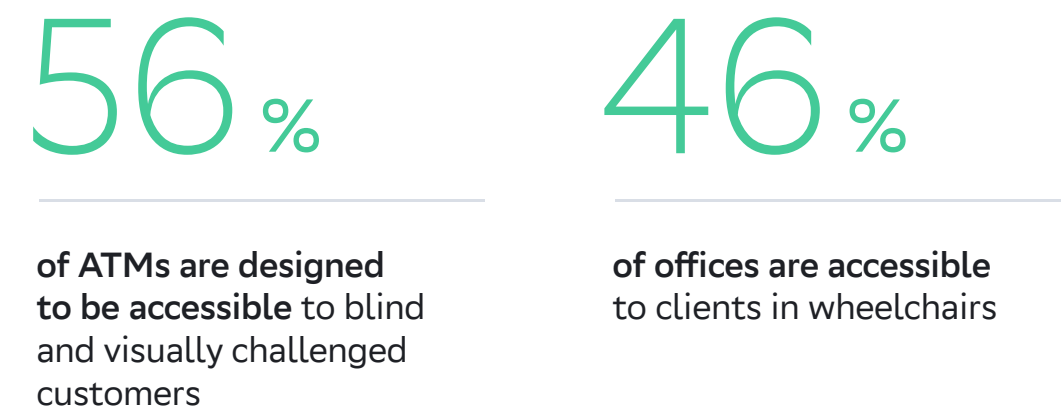
All information on special services is available in the Special Bank section of the website. Our website offers office and ATM accessibility filters for special customers. When planning to visit a Sberbank office, customers can now find out in advance whether it is equipped with a ramp or has an ATM with voice menus for visually challenged customers. Clients can find this information through the chat feature and by calling the 900 number.

In order to promote inclusivity in corporate business, we collected analytics on corporate clients, where people with disabilities hold managerial positions. Currently, the Bank serves 450,000 such legal entity clients and works to adapt our services for them.

For instance, the primary SberBusiness operations, such as making payments to counterparties, ordering statements, managing accounts, and searching through the system, were adapted to suit the blind clients. The adapted version of SberBusiness for the blind won the prestigious international Banking Tech award in the Diversity & Inclusion Excellence category.

Sber plans to develop a uniform procedure for processing corporate products for clients with special health needs. Based on this knowledge, our clients will receive quality service through any channel that is convenient for them.

To enhance our inclusive culture, a new training format for serving customers with disabilities has been introduced among employees: office employees have been offered quests. This gamification method makes it possible to involve employees in interactive work with the office’s instructions.



We equip our offices with ramps, induction loops¹, and video magnifiers. Many branches have a remote sign language interpretation service for people with hearing loss and people with communication needs. More and more ATMs are being modified to service blind and visually challenged people.

AWARDS

Prizes



Winner of the prize for accessibility of digital banking services for people with disabilities and guidelines on accessibility as part of the “Special Bank” project



The project to adapt SberBusiness corporate internet banking for visually impaired users received an award in the category Diversity & Inclusion Excellence

Ratings and research



Ratings leader in research into the accessibility of banking apps for people with disabilities

Barrier-free environment

	2017	2018	2019	2020
Number of service points modified for wheelchair users ²	5,494	5,630	5,705	6,200
Number of ATMs modified for visually impaired users	3,000	9,484	23,000	28,931

¹ A device that improves the quality of sound for people with hearing aids.

² People who have limited possibilities to perform personal daily activities in society due to physical, mental, sensory or psychological disabilities. This indicator refers to people with disabilities who are capable of independently managing their personal finances.

Special Bank (Inclusive Solutions)

MODIFIED WEBSITES AND APPLICATIONS

The Bank strives to make its remote channels fully accessible to people with disabilities. Ensuring an inclusive online environment is one of our priorities when developing new applications and websites. Interface accessibility is a guiding principle in the work of the Bank’s managers, designers, and developers.

In 2020, the web-based version of SberBank Online was moved to a new platform that supports screen readers, has enhanced contrast features, and harmonizes the customer journeys in the web-based and app-based versions.

The SberBank Online app is updated regularly, and each update provides blind and visually challenged customers with a high level of accessibility. Visually challenged employees participate in the design of the interfaces, help to develop new application interaction scenarios, and test them.

Visually challenged users have access to all functionality in the SberBank Online mobile app. It supports the VoiceOver and TalkBack screen readers, which narrate the visual content on the screen, has a user-friendly interface, and transitions predictably between elements of the SberBank Online app, allowing a visually challenged customer to quickly take advantage of banking services without encountering additional barriers.

Sber’s inclusive solutions for blind and visually challenged people are not confined to the banking sphere. In 2020, Sber continued the Art.Aloud initiative in partnership with the Golden Mask festival. This project enables blind and visually impaired people to become part of the festival thanks to the unique Art.Aloud mobile application designed by Sberbank together with VOS-film.

TRAINING FOR CUSTOMERS

Thanks to the TalkBack program for Android and the VoiceOver program for iOS, which narrate everything on the telephone screen that might be of interest to the user, visually challenged customers can freely use SberBank Online. Sber issued tutorial videos in autumn 2020 to help our visually challenged customers to use the SberBank Online mobile app.

The tutorial instructional videos cover the key service blocks: registration in the application, utilities payments, transfers from user accounts to bank clients, the search function, etc. The application is explained by a visually challenged expert with first-hand knowledge of all the nuances of using the banking services.

Another Sber initiative was timed to coincide with the International Week of the Deaf. A series of educational videos on Russian sign language were issued. The videos included subtitles and an offscreen narrator, so that the family and friends of people with hearing loss can learn the material along with them. The presenters and experts are SberBank employees and customers with hearing impairments.

Viewers can learn about Sber’s special services for people with impaired hearing, get advice on how to use the SberBank Online mobile app, and familiarize themselves with the fundamentals of safe financial management from the videos. The videos also talk in detail about how the employees at SberBank branches and offices can organize video calls with a sign language interpreter on their business tablets for customers with hearing loss at any time. This free service is available at 6,000 SberBank offices.

JOB SEARCH SERVICE

On International Day of People with Disabilities 2020, Sberbank, together with the Jobs.ru service, launched a new section with job offers for people with disabilities. Already at the launch, more than 5,000 vacancies across Russia were available to job seekers, including those with remote employment. Vacancies for job seekers with disabilities are also available in a special Sber service that helps find jobs in ecosystem companies.

As part of the initiative, vacancies suitable for people with disabilities have been selected in different regions of Russia. The new section of the Jobs.ru service includes vacancies in which employers have put a special note that they are considering candidates with disabilities for a given position. When searching for suitable offers, job seekers can filter them by industry and company specialization, required work experience, offered salary, schedule and location.

EMPLOYEE TRAINING IN SERVICE SKILLS

SberBank improved the servicing of visually challenged customers in 2020. Branch employees underwent specialized training for proper interaction with visitors to the bank branch who use service dogs. This initiative was introduced under the “We Welcome Service Dogs” program, which the bank joined in 2019 to establish a barrier-free environment at its branches.

The Srednerussky Bank of SberBank initiated cooperation with the Educational Dog Training Center. This partnership resulted in the organization of remote and in-person training of employees and the creation of a training route for service dogs at one of SberBank’s offices.

¹ International Day of People with Disabilities is celebrated around the world annually on December 3, in accordance with UN General Assembly Resolution 47/3 of October 14, 1992

Development of Socially Oriented Products

Sber believes it has a duty to care for customers, employees and their families, to ensure convenient interactions between citizens and various public institutions and public transport, and to make education accessible. Developing services and projects that improve the quality of peoples' lives is part and parcel of our social agenda.

AWARDS

CX World Awards	"Own Business" – 2nd place in the Best B2C Customer Experience category
Best social projects of Russia	The winners and laureates were: "Special Bank", "Social Account", "Ladoshki", "Strelka", "BRIS Utilities Billing Platform", the export accelerator based on the platform Bank of Business Partners by Sberbank, and "Financial Literacy by Sberbank"
Innovation Time	SberSovetnik was the winner of the "Service Solution of the Year" in the category "Support and Development of Small Business". This is a mobile app for clients with small and medium-sized enterprises, which allows entrepreneurs to receive up-to-date information on their business performance indicators, the market as a whole or a targeted industry with one click

PRODUCTS AND SERVICES FOR PEOPLE OF ALL AGES AND STATUS

We strive to make our products and services as understandable as possible and develop banking products for people of all ages and status.

We offer mortgages on special terms, savings programs and insurance services to young parents. Customers up to the age of 25 can take advantage of the Youth Card with low service fees.

Teenagers can receive financial advice and answers to their questions in stories or using the SberCat chatbot.

We also created the SberKids mobile app where children can receive their first plastic card, save up for their goals with the help of their parents, and learn how to manage their finances and control their spending.

For senior citizens, we created the "Active Seniors" information portal with vacancies, services, special tariffs, and instructional video courses.

We are improving our online customer service because we believe that banking products should be available at any time.

Socially oriented products

PRODUCT	DESCRIPTION
HOME LOANS	
"StateSupport 2020"	Mortgage loans for primary housing. Loans worth 471 bn RUB were issued in 2020
"Young Family"	Under this program, a mortgage loan is provided to young families, where one of the spouses is younger than 35 years old (inclusive), at a discount of 0.4 percentage points off the base interest rate
"Mortgage Plus Maternity (Family) Capital"	A mortgage loan under this program stipulates the possibility to use the funds of maternity (family) capital as a down payment
"Military Mortgage"	Military mortgage is a loan for the purchase of completed housing or housing under construction with state subsidies for military personnel. Loans worth 12 bn RUB were issued in 2020
Regional Housing Programs	A mortgage loan for participants in regional social housing programs as part of the bank's basic line of mortgage products at a single, reduced interest rate. Loans worth 41 bn RUB were issued in 2020
CONSUMER LOANS	
"Student Loan"	A student loan gives the recipient money to pay for education in his or her dream higher education institution at only 3% per annum. The loan will only have to be paid back starting nine months after the student completes his or her education—only interest will have to be paid while he or she is still at university. SberBank works with 543 colleges and universities 9,400 students received loans in 2020

PRODUCTS AND SERVICES FOR PEOPLE OF ALL AGES AND STATUS

Socially oriented products

PRODUCT	DESCRIPTION
Social programs	
“Pension Plus” Deposit	Available to depositors who are eligible for a pension based on the legislation of the Russian Federation or who have reached pension age. Debit operations can be performed on the deposit without losing interest income, and all interest income is retained in case of the early withdrawal of the deposit funds.
“Gift of Life” Deposit	This deposit is available to all clients. 0.3% of the deposit per annum is transferred to the Gift of Life Charitable Foundation for children with hemato-oncological and other serious diseases. Portfolio as at 31 December 2020: 4.5 bn RUB Clients as at 31 December 2020: 25,700 people
“Social” Deposit	This deposit is intended for accumulation of the social payments received by an orphan child until he or she comes of age, as well as for World War II veterans. All interest income is retained in case of the early withdrawal of the deposit funds. Portfolio as at 31 December 2020: 10 bn RUB Clients as at 31 December 2020: 57,300 people
Special terms under the deposits “Maintain”, “Maintain Online”, “Add Funds” and “Add Funds Online”	Customers who have reached 55 years of age (for women) and 60 years of age (for men) or those eligible for a pension at a younger age are given the maximum interest rate on this deposit. Portfolio as at 31 December 2020: 1.8 tn RUB Clients as at 31 December 2020: 5.2 million people
SberKids	A recurring promo deposit for a child. Total amount attracted is 63 mn RUB

PRODUCTS AND SERVICES FOR FAMILIES WITH CHILDREN

Over 1 million parents in Russia have used the Child Subsidy Calculator by Sber.

This service was launched in 2019 and became even more essential during the coronavirus pandemic when special payments to support families with children were started. The calculator helps the general public receive all the required information quickly and easily.

There are currently 18 federal and more than 160 regional child subsidies that cover more than 40 different real-life situations. Parents are often unaware of all the payments on offer. Sber solved this problem by creating the Child Subsidy Calculator where you can find all the necessary information in one place: not only the subsidies for which you are eligible, but also the documents needed to receive them and how to complete them, and where the money will be deposited.

The Bank continues to develop a special service with recommendations for parents. Helpful information is regularly published for customers depending on the age of their children in the form of stories on the SberBank Online mobile app: from the advice of a clinical psychologist to a collection of suitable banking products and non-banking services of the Sberbank ecosystem. More than 15 million parents regularly receive these stories. The Happy Parent information channel in the Dialogues section of the SberBank Online mobile app continues working as well. Life hacks for organizing home schooling and games with children are published here. There were 82,000 subscribers in 2020.

>15 MN

parents regularly receive stories in SberBank Online app

PRODUCTS AND SERVICES FOR PENSIONERS

We continue to improve our customer journey prior to and after retirement.

Our senior customers now receive helpful information on the newly instituted status of a pre-pensioner during the five years preceding their pension: customers learn which benefits they are eligible for and how to apply for them, as well as how they can receive the funded component once they retire.

Pensioners can now easily transfer their pensions to Sberbank without having to make another visit to the Pension Fund of Russia with the help of a new service, that is electronic wire transfer of pensions, using the SberBank Online internet bank or by visiting a Sber office.

The SberBank Online mobile app now has an Investment and Pension section where the client can order a statement from the Pension Fund of Russia, find out his or her length of employment and the amount of accumulated pension credits, and calculate the amount of the insurance pension due to him or her.

Due to the restrictions associated with COVID-19, our customers who are pensioners have started using remote services more often. The share of bank products received online has increased 2.7-fold (from 6.3% to 17.4%). The number of service operations in SberBank Online has increased by 69%, (from 48 million to 81 million).

Sberbank and Rabota.ru introduced an easy-to-use job search tool for senior citizens in 2020. A search is conducted among the vacancies on the Rabota.ru website that employers have marked as positions for which they are considering candidates aged 50+.

The service was placed on the “Active Seniors” portal, Sberbank’s online magazine for senior citizens. At present, the portal has more than ten thousand vacancies from more than 500 employers.

In addition to the job search function, the service also offers resume constructor that can be used to build a quality online resume in line with best practices and advice from leading HR specialists.

JOB SEARCH SERVICES

In 2020, Rabota.ru worked together with the Rambler web portal (part of the Sberbank ecosystem) to launch a separate vertical search engine on Rambler where job seekers can find current vacancies. The project unites the nearly 65 million users of the Rambler web portal with employers from the Rabota.ru service throughout Russia.

Just a few clicks in the new service and you can find suitable vacancies and immediately respond to them. Those users who do not have a ready resume can create one as part of their response to the vacancy. The user-friendly search function makes it possible to filter offers from employers by salary, region, work experience, working hours and by the most recent vacancies. The possibility to select work based on company sector and metro station will soon appear.

On 2020 International Day of Persons with Disabilities¹, Sber launched a new section with job offers for people with health issues together with the Rabota.ru service. There were already more than 5,000 vacancies available to aspiring workers throughout Russia, including remote work opportunities, at the time of project launch. Vacancies for candidates with health issues can also be found on a special Sber service, which can be used to find jobs at companies in the ecosystem.

For this initiative, job vacancies suitable for people with health issues were selected in various regions of the country. Vacancies that employers have specially marked as positions for which they are considering candidates with disabilities come up in the new section on the Rabota.ru service. When searching suitable offers, job seekers can filter the results by industry, company, specialization, work experience, salary, working hours, and work location.

In April 2020, Rabota.ru launched a recruiting service for startups together with the Sberbank Accelerator called Startup.rabota.ru, the purpose of which was to unite talented applicants with the country’s best startups. Startup.rabota.ru is the first nationwide solution for the recruitment of staff for innovative IT teams. Its creators attribute the launch of the solution to the abrupt increase in the digitalization of the economy that took place as a result of the COVID-19 pandemic and the rapid growth in the importance of innovation.

The first users of the service were startups of the Sber accelerators, residents of the Skolkovo Technopark, and portfolio companies of the Internet Initiatives Development Fund (IIDF).

¹ International Day of People with Disabilities is celebrated around the world annually on December 3, in accordance with UN General Assembly Resolution 47/3 of October 14, 1992

AFFORDABLE MORTGAGE

The mortgage program with state support that began at the end of April 2020 was extended for 2021 by a decree of the Russian Government. Sberbank actively strives to improve the accessibility of mortgage loans to Russian citizens. Under this program, the interest rate of a mortgage loan at Sberbank starts from 6.1% per annum if the transaction is registered electronically.

We had an active hand in the development of the program and feel that it is one of the key elements of public support during the coronavirus pandemic. It was mortgage loans on preferential terms that played the most important role in the revival of lending in the summer and fall of 2020. It is important that mortgage loans with state support have an integral therapeutic effect on the country’s economy.

Sberbank also participates actively in all state programs to improve mortgage loan affordability for Russian citizens, including the Rural Mortgage program. A key change was the possibility to use maternity (family) capital as a down payment. Starting from 2021, in order to take out a mortgage loan in a rural area, you do not even have to hold the title to the land; a lease agreement will be sufficient.

From 2020, the families of children with disabilities can apply for and receive a SberBank mortgage loan under the “Mortgage loan with state support for families with children” preferential lending program to buy an apartment in a new building development. Lower mortgage interest rates will help such families to save on housing and redirect those resources for the child’s needs. A mortgage loan at an interest rate of 0.1% per annum can be applied for and received through the DomClick.ru remote service. Preferential mortgage loan interest rates are also available to families who had a second or subsequent child born between 1 January 2018 and 31 December 2022.

471 BN ₪

Sberbank issued in loans under the mortgage program with state support

PRODUCTS AND SERVICES FOR SMALL AND MICRO-BUSINESSES²

About 277,000 self-employed people have registered in Sber’s “Your Business” (Svoyo Delo) service.

Any resident of the country can register as a self-employed person in the SberBank Online mobile app in just a couple of minutes, without having to visit the tax authorities or the bank. Once registered, he or she will have access to a free set of services that will not only make it easy to draw up online checks and to pay self-employment tax online but also includes a wide variety of important services for self-employed people. Registration as self-employed is available in all Russian regions, which is why we can develop this segment nationwide.

Sberbank introduced a new online financial consulting and performance assessment service for business ideas in 2020 called Business Idea Evaluation. The service allows beginning entrepreneurs or customers who would like to open a new line of business to calculate the amount of investment needed to start and to receive information on monthly income and expenses, the payback period and other key performance indicators. This free service is available to all Sberbank clients in the upgraded web-based version of SberBank Online, on the bank’s website, and in the SberSovetnik mobile app.

As part of our ESG agenda, we continued developing social solutions for small and micro-businesses continued:

platforms for training entrepreneurs and self-employed, such as Sber Business Live with audience of 1.3 million people, “Business Environment” reaching out to 700,000 entrepreneurs, “Business is Easy” (130,000), “BusinessClass” (800,000 beginner entrepreneurs)

as part of supporting small businesses, we successfully launched the SberIsNear (SberRyadom) project together with Mastercard; 107,000 entrepreneurs became its participants, while 549,000 customers supported small enterprises by connecting “SberNear”

² For further details, please see 2020 Annual Report, Part 1, section Corporate and Investment Business, on pp. 57–60

Cybersecurity, Data Protection and Fraud Prevention

The cloud business and cybersecurity are important components of the service package for legal entities. Sber is a world leader in cybersecurity.



The goal for 2023 is 0 RUB in losses from cyberthreats

MEASURES TO ENHANCE SBER'S CYBERSECURITY

Sber's cybersecurity system is constantly evolving and being refined. In 2020, 135 internal regulatory documents and processes touching upon various areas and functions, including work with employees, IT architecture, inter-bank security, system access management, data management etc., were developed and augmented as part of a comprehensive program to improve the level of cybersecurity.

The Cybersecurity Risk Management Committee has been set up and is in operation at the Bank.

The upgrade of system security performed in 2020 with the help of solutions from Arbor Networks has made it possible to defend against DDOS attacks of up to 160 Gb/sec. (a fourfold increase year-over-year).

In 2020, 100% of DDOS attacks (more than 90 attacks) were repelled, and 0 minutes of downtime from DDoS attacks were recorded resulting in RUB0 in losses of client funds

Several measures were taken in 2020 to protect the SberBank Online mobile app, aimed at:

- preventing attacks from compromised communications channels (MiTM, sniffing), data spoofing during the transfer of data using TLS, SSLPinning;
- ensuring the safe storage of sensitive information (PIN) and product characteristics in secure storage at the level of the iOS and Android platforms;
- protecting against viruses, payment detail spoofing, interception of passwords and other attacks using the KavSDK embedded anti-virus library for Android.

The security of the SberBank Online mobile app is regularly tested to exclude storage of sensitive information in source code. In addition, to counter methods of social engineering, the mobile app has been integrated with a fraud monitoring system.

To protect against fraud during payment through payment terminals and ATMs, Sber has:

- revised the threat model in connection with the identification of new threats to the NFC protocol;¹
- transferred all device administrators to remote work with randomized passwords;
- restricted access to self-service machines from all non-core hosts, and monitors connections daily;
- introduced an online operating system event audit for all self-service machines with data transfer to the cybersecurity system.

Not a single cyberattack on self-service machines was recorded during 2020.

¹ NFC means wireless data transfer between devices.

PERSONAL DATA PROTECTION

The Data Protection Officer (DPO) is responsible for organizing personal data processing and protection at Sber. In the business divisions, the relevant functions are organized by cross-block DPO teams. Thanks to this approach, all processes and products of Sber are subject to expert review from the inception of the idea to the termination of data processing and destruction of data. The procedure for personal data processing and protection meets the requirements of both Russian and European (EU General Data Protection Regulation, GDPR) legislation.

Sber’s information security system is constantly being improved with due account of global best practices, and the effectiveness of the adopted personal data protection measures is regularly assessed within the deadlines established by legislation.

Biometric identification makes it possible to drastically improve the client experience during the provision of various services. That being said, any technology is subject to cybersecurity risks, which is especially true in view of the rapid development of artificial intelligence technologies with image and speech synthesis. Due to the heightened risk of attacks on systems that use biometrics, Sber only uses biometrics as an additional factor in authentication for critical operations and services.

To minimize risks, modern biometrics algorithms work not only with source biometric data, but also with their descriptors (impressions, templates) from which it is impossible to reconstruct information on the actual person.

At Sber, the descriptors are stored separately from personal data that would allow a person to be identified, and the connection between them is only performed through a depersonalized identifier. It is impossible to make use of the descriptors outside of the bank’s information system, but the full spectrum of security measures stipulated by the personal data protection arrangements is applied to them anyway.

[Russian state pays attention to the sensitivity of biometric identification procedures—the Federal Law on using the Unified Biometric System \(UBS\)¹ was passed in December 2020. Under that law, SberBank will have to undergo an accreditation procedure in 2021. The accreditation procedure is to be established by the Government of the Russian Federation in consultation with the Bank of Russia.](#)

AUDIT OF COMPLIANCE WITH THE REQUIREMENTS ON STORAGE AND PREVENTING LEAKS OF PERSONAL DATA

The audit of the compliance of the procedure for personal data processing and protection with legislative requirements and the bank’s internal documents is performed by the Internal Audit Department. The audits are performed during the review of the activities of the divisions at Sber.

The DPO offices perform process analysis as part of scheduled and unscheduled monitoring, with a focus on the personal data collection process, their transfer to third parties, the timely termination of processing and destruction of personal data. The personal data processing control function is automated in certain processes.

State-of-the-art technological solutions are implemented at Sber to prevent leaks. In particular, the largest data leak prevention (DLP) system in the country, under which more than 180,000 workstations are monitored for leaks of confidential information, was installed in 2020. During the first year of system operation, 896 violations were identified, and penalties were applied in each and every case without exception, including 751 disciplinary actions under Article 192 of the Russian Labor Code.

DATA EXCHANGE BETWEEN COMPANIES IN THE SBER ECOSYSTEM

In connection with the rapid expansion of the ecosystem, Sber creates a protected data exchange environment with the companies within the ecosystem based on SberCloud. Data exchange in the ecosystem is built on the principles of strict compliance with legislative requirements and the application of the newest means of information security. Standardization of approaches to ensuring the security of data transfer for all companies in the ecosystem has allowed the risks of interception of commercial and personal data during transfer to be minimized. Several unique integration services for all companies in the Sber ecosystem have been created that make it possible to significantly reduce operating expenses on IT infrastructure and its protection.

IMPACT OF COVID ON INFORMATION SECURITY AND PERSONAL DATA PROTECTION

Sber rapidly developed a secure solution that allowed employees to move to remote work with minimal risks, thereby making the uninterrupted operations of the bank possible.

The Bank established a list of critical systems from the standpoint of remote access. Employees were split into access groups depending on the scope and category of information to which they have access. Two key “stop factors” were used when moving employees to work remotely. Firstly, all work with the personal data of customers and bank secrets is performed only at bank offices. Secondly, critical operations, such as transactions on financial markets, financial, trade and settlement operations, and effecting payments, are only performed from offices. Methods for reliable cybersecurity were developed when moving non-critical functions to remote work.

The pandemic allowed us to rethink our approach to the processing of customers’ personal data, which made it possible for some employees to transition to full-time remote work without risking the security of customer data. For example, we began to use depersonalized personal data for investigative processes, and new roles in automated systems that only allow access to a customer’s name were developed for operators providing support to clients.

The experience of moving urgently to remote work showed that Sber’s existing cybersecurity system is ready for unscheduled business transformation. All critical functions were and continue to be performed without downtime.

¹ Federal Law #479-FZ dated 29 December 2020 “On amending certain legislative acts of the Russian Federation”

TRAINING EMPLOYEES AND CUSTOMERS IN CYBERSECURITY ISSUES

Sber's Code of Corporate Ethics regulates observance of the confidentiality of the information used in employees' work. The bank is constantly improving its regulatory framework concerning cybersecurity. Nine new internal cybersecurity documents were developed, and eight existing documents were updated in 2020.

Employee training is a continuous process. Sber has a special training course for employees called "Cybersecurity Agent".

98.6%

of bank employees have received training under the special training course "Cybersecurity Agent".

4

phishing cyber-exercises,

Cybersecurity training is also performed through other channels, including:

- postal mailings and announcements on SberChat with training materials;
- holding of anti-phishing exercises;
- a cycle of webinars and social network campaigns on new methods of fraud (more 8million views);
- in Sberbank online: the "Beware of scammers!" channel (105,000 subscribers), the "Nothing Personal" channel (over 2,000 subscribers), the "Don't fall for it!" section (MAU of 530,000)¹;
- transactions of disabled customers, senior citizens and orphans have been placed under additional control through fraud monitoring;
- since mid-2020, the form where customers can report fraud and check telephone numbers has been among the top 15 most visited pages on sberbank.ru;
- fraud monitoring is performed at Sber branches.

99%
of employees successfully
passed 4 phishing
cyber-exercises in 2020



¹ MAU (monthly active users) means monthly audience, i. e. the number of unique users visiting channel or section at least once a month.

COMPLIANCE WITH INTERNATIONAL AND NATIONAL STANDARDS

For the fourth year in a row, Sber confirms its compliance with international requirements on monitoring and preventing cyberthreats ISO/IEC 27001:2013.

The first independent assessment of the Bank's compliance with the requirements of the SWIFT CSP standard was performed by an outside audit firm in 2020.

The Bank's UPOS applications for payment terminals were certified under the requirements of the PA DSS standard for the first time in 2020.

The bank performs a regular assessment of compliance with the information security requirements of the Bank of Russia. The bank also holds licenses from the FSB for encryption activity and from Russia's Federal Service for Technical and Export Controls (FSTEC) for technical protection of confidential information.

Three of Sber's products were awarded 2021 Cyber Security Excellence Awards:

- The anti-fraud system won gold in the Fraud Prevention category
- The intelligent cyber threat management system operating at the Sberbank Cyber Defense Center won silver in the Advanced Threat Intelligence category
- Cyber Security Hub, cyber security services in the SberBank Online mobile app, took second place in the Security Product and Service for Finance and Banking nomination

The second International Cybersecurity Congress organized by Sberbank with the participation of the Centre for Cybersecurity of the World Economic Forum united more than 2,700 delegates from 65 countries. The Congress's business program included 66 events with more than 100 speakers.

BI.ZONE

BI.ZONE is a company of the Sber ecosystem and the largest Russian provider of cybersecurity, offering clients more than 40 services. It develops joint services for customers together with other companies in the ecosystem. The company has implemented around 700 projects for more than 200 clients in ten countries around the world.

1/3

of the market is held by Bi.ZONE

The year 2020 fundamentally changed the requirements on cybersecurity due to the soaring level of digitalization of businesses and the transition to remote work of hundreds of thousands of people during the pandemic. Difficulties included the vague information perimeters of companies, cost-benefit requirements and the strengthening of state regulation over data circulation and the security requirements for critical infrastructure.

In this situation, BI.ZONE adapted faster than other players and promptly offered its clients a flexible service model with tariffs tailored to any budget. The company quickly received the status of a Russian manufacturer and certified its services with Russian regulators.

BI.ZONE's new best-in-class services in 2020:

- MDR/ThreatHunting, a preemptive search for attacks on information systems at the preparation stage, prior to the actual attack;
- SecureSD-WAN—an "iron-clad" solution that allows clients to quickly rollout secure networks of any level of complexity, including in places where there are no specialists (remote offices, service points, mini-stores);
- SDLCaaS—analysis of the security of client applications at the development stage, which accelerates product issue without critical vulnerabilities;
- BI.ZONE Fraud Detection—preventing fraudulent actions in financial services and e-commerce systems.

The listed services are unique offerings for the Russian market. BI.ZONE proposes a payment-by-results model. This sets it apart from similar products that must be purchased first, then independently rolled out and used.

In 2020, BI.ZONE established its SberCloud product, created a service to protect the digital profiles of Sber insurance customers, and a client personal account data leak monitoring service together with United Credit Bureau.

Response to the Coronavirus Pandemic

During the pandemic, our employees thought about how to help clients and all other residents of the country to survive this trying time.

All our efforts were concentrated on providing assistance to those in need, developing new technological solutions to fight the virus, and overcoming the pandemic consequences.

Awards

Prizes



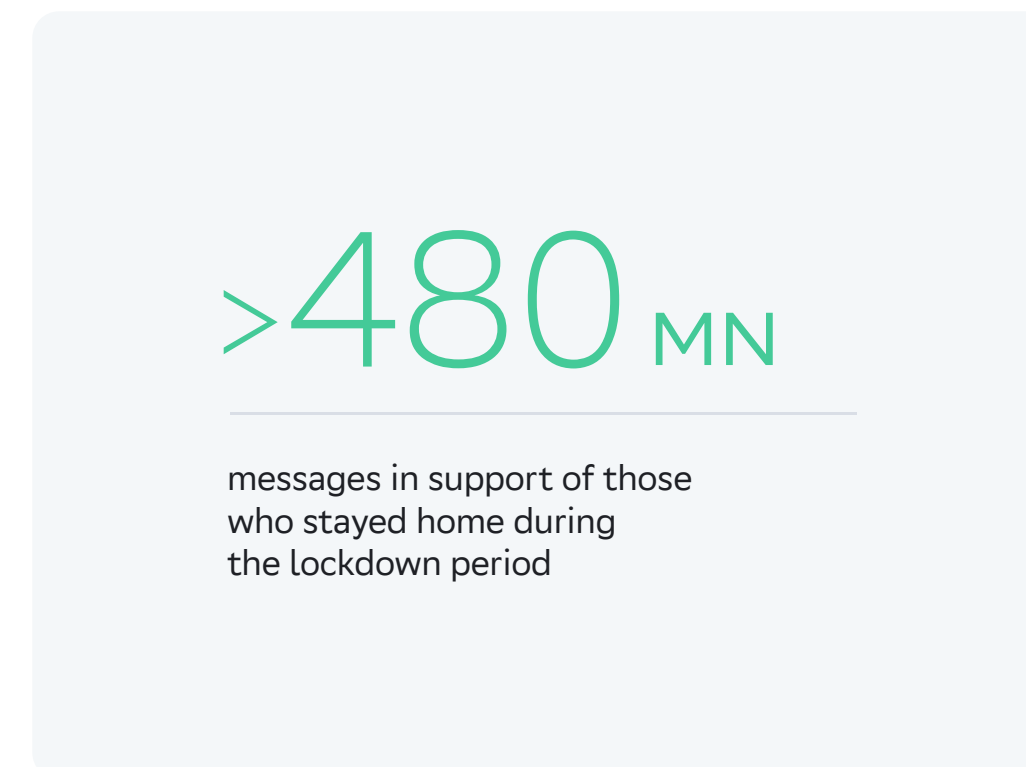
The service “Business Mission Online” was the winner of the Project of the Year in the “Finance and Consulting” category. This service replaces the specialized industry fairs, expositions and business missions canceled due to the pandemic

For more information on Sber efforts to protect clients from COVID-19, please see section Best Client Experience and Ecosystem in Management Report on pp. 38–80 and section Responsibility to Employees / Response to the Coronavirus Pandemic on pp. 284–286

CLIENT CARE

To slow the rate of spread of the coronavirus infection, in April 2020 Sber developed and posted informational materials at its offices on face mask requirements.

Sber decided to intensify its public awareness work in the fall of 2020, when another increase in COVID-19 cases was seen, by launching the campaign “Thank you for wearing a mask”. Its goal was to encourage customers who comply with the face mask mandate out of concern for their health and the health of those around them. During the “Thank you for wearing a mask” campaign, every customer who wore a mask in a bank office was given a special promocode with immediate discounts on several services in the Sber ecosystem.



We provided communication support to our clients. More than 480 million messages were sent in support of those who stayed home during the lockdown period. Clients received instructions on how to access popular operations without an office visit, such as: reissue of cards, payments and transfers.

Our operators gave detailed explanations on the provision of loan payment holidays on consumer and mortgage loans. Sber also supported customers with non-financial services, such as information on how to apply for and receive passes in Moscow, how to return tickets due to COVID-19, how to receive a child allowance and other relevant topics.

During the pandemic, Sber conducted a series of webinars on banking services together with the NCFL¹, which reached more than 1.5 million people.

In addition, Sber plans to pay particular attention to work with higher education institutions and schools, to enable children and young people to acquire the skills that are needed in the modern world and business and to find jobs, even in the post-COVID labor market.

When promoting products to clients, emphasis was placed first and foremost on the possibility to acquire them through remote channels. New customer journeys with the possibility for remote purchase were created for certain products. For example, regular campaigns were launched for Digital credit cards with all formalities handled without an office visit.

¹ National Center for Financial Literacy, a partner of the Russian Ministry of Finance

CLIENT SUPPORT

The world encountered a brand-new threat in 2020—the novel coronavirus infection pandemic. State structures, society and business were all faced with the need to develop a response to the emerging threat.

Client support measures of Sber during the COVID-19 pandemic:

- loan payment holidays were implemented in accordance with the requirements of Federal Law No. 106²
- the Bank’s own loan payment holidays were implemented
- the effective terms of time deposits were extended with the retention of interest rates
- commission fees for the early reissue of debit cards were canceled
- commission fees for replenishing SberBank cards from cards with other banks in the SberBank Online mobile app and the bank’s website were canceled
- the possibility to use an expired card to withdraw cash from an ATM and to pay for purchases at retail stores was introduced
- the internet acquiring interest rate for enterprises selling essential goods and services through the internet was lowered
- the interest rate on all types of acquiring was reduced for medical institutions
- the payment for servicing of online cash registers and acquiring terminals was canceled
- the receipt of payday loans at 0% interest for sole proprietors
- the SberB2B service allowed suppliers to participate in all procurements free of charge during the period of remote work
- the payment for the use of the remote tax return service was canceled

² Federal Law #106-FZ dated 3 April 2020 “On Amending the Federal Law ‘On the Central Bank of the Russian Federation (Bank of Russia)’ and certain legislative acts of the Russian Federation regarding the specifics of changing the terms of a credit facility agreement, a loan agreement”

CLIENT SUPPORT

Our clients were granted loan payment holidays in accordance with the requirements of Federal Law No. 106 to support them during the COVID-19 pandemic.

Sber also launched an alternative loan payment holiday banking program that enables a client to temporarily reduce the amount of loan payments on credit cards by 60% while continuing to perform debit operations.

In addition, the minimum payment was lowered for all credit card holders: customers can now pay 25% less funds towards their principal debt. The commission fee for the early reissue of cards was canceled, and we will lower the minimum payment on the card to 3%.

Sberbank also implemented an assistance program for those corporate clients whose business was most affected by the pandemic. The industries that suffered the most included: transport, real estate, manufacture of construction materials, retail and wholesale trade in consumer discretionary goods, education, sport, cultural and art institutions. Sberbank further supported the affected enterprises during COVID-19 by giving those of them that had been granted the right to receive payday loans at 0% interest by the Russian Government an opportunity to deposit the wages free of charge.

Sber launched the ‘Business on Remote’, a talk show on YouTube with experienced businesspeople and entrepreneurs from various industries, with a purpose to provide support tools, exchange of experience and expertise to small businesses. The show collected over 11.8 million views.

DEPOSIT OF SOCIAL BENEFITS

Starting from April 2020, SberBank began crediting social benefits to the general public as a matter of priority as part of COVID-19 measures.

The list of such social benefits included new payments for children; payments to employees of medical and social organizations working with COVID-19 patients; payments to small and medium-sized enterprises. All relevant transactions were performed in record time.

INFORMATIONAL SERVICES FOR BUSINESS

Business was faced with serious problems during the crisis period of 2020. In the spring of 2020, “Business Environment”¹, with the participation of the Ministry of Economic Development of Russia, launched a federal marathon of support for entrepreneurs.

Webinars were held on the project’s online platform, giving entrepreneurs the chance to analyze their business, to receive crisis recovery strategies, and to learn how to transform their business model, optimize a niche during the crisis, and reorient their team on new lines of business, and to retain employees.

We united the best business mentors on the Russian market on one platform and established the SberUnity project to provide anti-crisis support to small and medium-sized enterprises. The goal of the project is to help entrepreneurs search for new solutions and to transform their businesses from offline to online. SberUnity for small and medium-sized enterprises is the first online platform on which entrepreneurs from various industries from all regions of Russia can receive consultations from professional business mentors or independently find new solutions for their business. During the crisis, mentors shared their knowledge and experience for free. Entrepreneurs could also find free educational materials on the online transformation of business on the project website.

¹ Part of the Sber ecosystem

NEW SERVICES AND PRODUCTS

Numerous new services were introduced throughout 2020 that enjoyed considerable support among the general public during the period of COVID-19

Including:

- issue of loans to self-employed people
- the following were made available on SberBank Online:
 - a consumer loan for refinancing: a client can receive a loan without references or an office visit
 - a change in the deposit account or card used to repay a loan
 - a partial early repayment of a loan with a change in the loan period or the amount of the payment
 - a change in the date of monthly payment to a more convenient date
- the first month with no payment on new loans
- home delivery of mortgage papers for closing

During the pandemic, courier delivery services became one of the most socially significant services, allowing people to comply with the lockdown order. For this reason, SberLogistics introduced contactless delivery technology and a twenty-four-hour contact center. Another initiative was implemented by the Sberbank Non-State Pension Fund and the SberMarket grocery and essential goods delivery service for social support of the elderly. Pension-age clients of the fund living in Moscow could take advantage of the SberMarket grocery delivery service with free collection x to delivery of an order. Moreover, Sberbank Non-State Pension Fund compensated part of the cost of purchase of the products.

During the pandemic, the bank provided secure home delivery of cash pensions and cards to elderly clients aged 65+ on request.

The medical service DocDoc (SberHealth), which is part of the Sber ecosystem, launched a free service during the pandemic to support senior citizens. Through this service, seniors could organize the delivery of products and medicines, get in touch with doctors, receive psychological counselling, and learn to use the handy digital services of Sber.

In April 2020, Sber and the job search and staff recruitment service Rabota.ru launched Beremnarabotu.ru, a free rapid job search service. It helped companies to redistribute labor resources during the crisis, while job seekers could quickly find new work.

To support companies engaged in international cooperation, we launched “Business Mission Online”. This service replaces the industry fairs, expositions and business missions that were canceled due to the pandemic and gives Russian manufacturers the opportunity to present their goods to foreign buyers online. More than 600 Russian and foreign companies used the service in 2020.

Responsibility to Employees

263	Staff Structure
265	Effective Leaders
267	Effective Employees
275	HR Tech
276	Flexibility and Culture
280	HR Strategy 2023
281	Corporate Volunteering
283	Occupational Health and Safety
284	Response to the Coronavirus Pandemic



The results of the Strategy 2020 and, especially, of the current year showed that people, Sber employees, are critically important for the Group’s successful development. The transformation of the business model and the Group’s successful activity would not be possible without our team.

In the reporting year, the Group worked hard to digitalize the employee journey, develop new expertise, recruit and develop IT and Data specialists, and develop agile development methods. All of this helped us to react quickly and successfully overcome this year’s key challenges, including the coronavirus pandemic. For example, we were able not only to overcome the growing burden on business, but also to maintain the health of our employees.

In many ways, the strategic development priorities of our team are a continuation of the successful development vector of the previous cycle. However, we are shifting our focus by developing new tools to attract IT specialists; cultivating internal candidates; creating flexible work formats, a culture of responsibility and results; and developing HR platforms as a helper. All of this should give us a competitive advantage in the global struggle for talent and, as a result, in the fight for technological leadership and leadership in business models.

Staff Structure

Sber understands its responsibility to its staff and is taking measures to ensure their security and prosperity.

For example, we are:

- improving the staff selection system
- ensuring fair selection of employees based on their professional skills
- working on the employee recruitment and retainment system, continuously refining our system of incentives and staff remuneration
- building a unique learning and development system with a focus on scarce skills (digital, soft) and retraining;
- working hard to create a comfortable and inspiring environment for our employee to grow and develop
- striving to be a role model and a leader in everything, and, among other things, to remain the most attractive employer.



Sber’s HR team received the “Crystal Pyramid” Grand Prize and the title of team of the year. The professional community gave high marks to the contribution of the HR team to improving Sber’s performance level as the best bank for the general public and business in the country, which competes successfully with global technology companies

The Crystal Pyramid awards were also given to:



The KURS mobile app came second in the Technology Solution of the Year category. "KURS" enables employees to use all HR services quickly and conveniently in a 24/7 format. It uses an electronic digital signature to sign HR documents.



The project, Soft Skills Development in a Distance Format: Best Practices at Sberbank, won second place in the HR Project of the Year category. The project included modules that enabled participants to significantly improve their soft skills, which are the basis for success for any employee regardless of the position they hold.



Sber Design School - second place in the Corporate Training of the Year category. A deep understanding of design is now becoming a key competence for companies aspiring to leadership. The Design School aims to contribute to the development of this competence through the development and implementation of educational solutions and outreach activities.



Moscow Bank's Moscow Schoolchildren's Saturdays project - third place in the Corporate Social Responsibility of the Year category. The project was initiated by the Moscow Department of Education and Science. Sberbank was one of the first to be part of this initiative, organising expert master classes in soft and digital skills for more than 2,500 schoolchildren.



Sberbank's SberQ project won the grand prize for achievements in HR digital transformation. Digital Pyramid 2020 Award, in the category HR TECH—Product of the Year. This is a new assessment tool for senior executives, developed by HR Block together with the Human Neurosciences and Behaviour Laboratory. It is based on both psychodiagnostics (online testing and a conversation with an evaluator) and the simulation of a day's work from a CEO's life with real situations of interaction with colleagues. In addition to assessing candidates in the recruitment process, SberQ is also used as part of a pool for GOSB Managers.



Sber's corporate course for employees "Take Stress Under Control" won the international EdCrunchAward competition in the "Corporate Training" category. In the six months since its launch, almost 80,000 Sber employees have completed the course, scoring a 4.9 out of 5



The SberCraft project won the best in the HR SMM category of the IT HR Awards, which annually recognise the achievements of companies in the field of IT human resources. It is a browser-based game with 12 programming languages for hiring developers. It allows you to immediately assess a developer's key competence—code writing—and reduce the number of candidate assessment steps.

GENERAL INFORMATION

As of the end of 2020, the total number the Group's employees was 285.6 thousand people. This section includes data on 266.7 thousand employees, which is 93.4% of the Sber Group headcount .

- In 2020, we hired more than 45,000 new employees.
- Turnover for the Group fell by 1.8 percentage points in 2020 and equaled 11%.
- 100% of Sber employees are covered by the collective bargaining agreement.
- More than 230,000 employees completed training in the reporting year.

The Group has a program to increase the diversity of our staff, and we support mature professionals within that program. Sber's team had 9% employees who are over 50 years old. Our task is to create conditions and further motivate senior citizens for professional fulfilment.

In 2020, we went on to:

- Implement our retraining programs, such as Digital profession through "Restart" (Perezapusk); Federal Digital Skills Education Program; "School 21".
- Offer courses, such as Career Navigator (training modeled on a social network with posts instead of lessons and friends instead of teachers) and "On Career Development after 50" on Coursera.
- Develop the website for the "Active Age" project (an online magazine and a set of convenient services, products for seniors).

Given our strategic ESG focus, we will pay special attention to promoting diversity among our staff in 2021.

Actual Headcount of Sberbank of Russia, subsidiary banks, subsidiary and affiliated companies, people

	2016	2017	2018	2019	2020
Subsidiary banks, subsidiaries and affiliates	259,999	251,701	245,788	240,730	235,062
Other companies of the ecosystem	51,672	49,996	40,719	27,408	31,663
Total	311,671	301,697	286,507	268,138	266,725

Employee turnover in 2020 was well below target due to our efforts to create a comfortable work environment and the care that employees especially felt during the pandemic.

The internal regulatory framework is updated in a timely manner as the current legislation of the Russian Federation is amended and the bank's processes are redesigned to take into account their automation.

For example, in 2020, new editions of the Internal Labor Rules and the Internal Standard for the execution of job descriptions were approved, and changes were made to the Internal Standard for Electronic Personnel Records Management.

HUMAN RIGHTS

Guaranteeing and protecting human rights is a guiding principle of modern society.

Sber understands the importance of protecting human rights at the companies in the ecosystem and works to promote this agenda at the national level. We wholeheartedly support the fundamental principles established in the Universal Declaration of Human Rights, the European Convention for the Protection of Human Rights and Fundamental Freedoms, the Declarations and Conventions of the International Labour Organization and other international human rights documents. Our complete agreement with these principles is reflected in our policies and actions toward employees, customers, business partners, and the third parties with whom we do business.

Respect for human rights is also ensured by the requirements of the national legislation in Russia and other countries where Sber operates—subject to those requirements, the Group provides the required working conditions and guarantees opportunities for staff training. Sber supports collective bargaining agreements and the freedom to create trade unions.

Sber also pays close attention to human rights in the context of its accession to the United Nations Global Compact, which took place in the first days of 2021. Plans for 2021 include adoption of a Human Rights Policy, which will be the culmination of Sber's continuous work to protect human rights at the national and international level.

GENDER POLICY

In today's world, gender policy is an important aspect of any company's activity.

Achieving gender equality is one of Sber's key priorities and an essential part of our ESG policy. This issue is the focus of attention of Sber's governing bodies, and the Group is continuously working to ensure gender equality in its activities. Among other things, we monitor women's representation in management of all levels and equal remuneration for men and women and work to increase the share of women in management roles at the companies in the ecosystem.

By the end of 2020, the majority of Sber's staff were women accounting for 72% of all employees. Among middle managers, 64% are women. Moreover, among the top 10 percent of the highest paid employees, more than half (54%) are women.

Sber actively supports employees in their parenting role, with a special focus on employees on maternity leave: a dedicated portal contains essential information on taking maternity leave and reintegrating into the work environment once it is completed, a guide for pregnant women and articles on parenting. Employees on maternity leave retain access to some of the bank's HR systems, including the Virtual School, so they can stay connected and continue to develop their competencies.

Effective Leaders

In 2020, Sber continued to work on improving staff efficiency.

Transformation of the business model and technology development are impossible without our team. The results of Strategy 2020 and especially the 2020 year have once again demonstrated that our employees are crucial to the successful development of Sber.

The HR team met its goals of digitizing HR services for employees. We helped leaders and employees develop the competencies they needed and strengthened IT and data teams. This has accelerated the market launch of our products and services. All of this has also enabled us to respond quickly and successfully overcome this year's challenges. We not only helped our customers, overcame the increased burden on business systems, but also took care of the health and well-being of our team every day.

EFFECTIVE LEADERS

We are convinced that an effective team cannot be created and maintained without an effective leader. For this reason, Sber provides managers with numerous professional development and skills enhancement opportunities.

Our task is to cultivate leaders capable of ensuring constant growth in productivity and the stable work quality of their teams.

As part of Strategy 2020, we have focused on developing managers' leadership skills and competencies. The new quality manager is not only responsible for performance, but also sets an example of alignment with the bank's corporate values and corporate culture.

According to the most recent engagement survey, the actions and image of leaders at Sberbank (effectiveness, openness, alignment with values) are the main driver of engagement and willingness to recommend Sberbank as an employer. Leadership quality has also improved significantly - mentoring and visionary leadership styles have increased, while directive leadership styles have declined. Employees' willingness to recommend their manager as a team leader increased significantly.

In 2020, we continued to develop leaders in the chosen direction. At the same time, in view of the pandemic and the transition of many teams to remote work, we made a special focus on creating and promoting tools for team atmosphere management and reducing employee anxiety. Our leaders proved their proficiency and effectiveness in the new circumstances.

Sber offers programs and courses for managers to cultivate their leadership:

- Managing People: My Leadership Style
- Facilitation techniques
- Leaders of the Future
- A series of ITeam Management Online programs (for T Block)
- Development of leaders and talent pool in agile
- People Management Fundamentals at Sber
- Talent Development
- Management of Remote Teams and Employees



A new profile called SberBank Head Branch Director was approved in 2020. Pursuant to the new profile, a Head Branch Director must be an integral partner for business and the regional authorities and implement the business development strategy for Sber and its ecosystem in the local market.



Sber has developed an integrated cycle of training, education, development, assessment, selection and appointment to the position of Head Branch Director. The updated development program is based on the principle of in-depth immersion courses in the specifics of the role and intensive development of missing skills once every two years. Due to the situation surrounding COVID-19, which resulted in a moratorium on in-class training and business trips, the program for selecting and developing Head Branch Directors has been made completely remote.



We continue to develop the practice of rotating regional managers. We expect managers to be open to new issues, highly collaborative, ready for cross-functional and territorial rotations after 5 years in the role. We provide them with comprehensive support and opportunities such as regional bank's Chairperson's Development Program, pools and intensives to develop managers of regional banks, HR commissions with a focus on the career of managers over 5 years in the role.



Four classes of the development program for the position of Head Branch Director have been completed in the remote format (in-depth immersion and intensive skill development): once approved by the Bank CEO, 21 people were appointed as Head Branch Directors, and 13 people were added to the talent pool.



— On 1 October 2020, a pilot development program for the position “Head Branch Assistant Director (RB/SD)” was also launched. The program is based on a deep dive into the specifics of the role and intensive development of missing skills. One class has completed the development program (in-depth immersion and intensive training course), and after that 18 people were added to the talent pool.

A tool for remote work with a team has been developed with the following features implemented:

- monitoring absences and presences, informing managers (the team calendar gives an option to take care of the team with up-to-date information on employees, i. e. who works from office and who works remotely, who is sick or absent, etc.),
- monitoring employees' health in the KURS mobile app with a daily pulse survey of the people's well-being. Information on the team health is available to managers 24/7 (more than 110,000 responses received). A report with the results of a pulse survey and employee comments is also generated for HR business partners,
- monitoring task performance while working remotely

SBERLEADERS

For the third year running, Sberleaders competition is aimed at finding and recognising the best managers who are successful at motivating their teams and inspiring employees to work efficiently. The competition is held to promote the best practices in people management at the bank. Leaders are nominated exclusively by their teams and a competition committee evaluates the leadership practices of participants.

The best managers receive a corporate award, the Certificate of Recognition, and their practices are included in non-material motivation guidance materials. They also take part in the training of less experienced managers as part of corporate programmes on people management.

Sberleaders' Top Managers competition:



CONTINUITY

It is important to us that Sberbank maintains a high level of internal expertise, passes on its accumulated experience and remains committed to its culture.

This is why we pay particular attention to ensuring the succession of managers. The Bank has formed a pool of successors who acquire the knowledge and experience required for leadership. One of the key indicators to monitor succession levels is the security of the successor managers. One of the succession tools is the Succession Pool.

The indicator of management position security (grade 13+ directors) is monitored on a weekly basis. Managers undergo annual personnel committees where their achievements, potential, areas for growth and promotion are discussed collegially and recommendations for development are formed.

In 2020:

>3,600

bank managers went through HR commissions (online) and received feedback from the top team.

87.54%

of managers had successors and were protected

Based on the results of the commissions, successors for key positions are clarified and a talent pool—a pool of executives for priority promotion and rotation—is formed.

TALENT POOL

Sberbank has developed and implemented a staff appraisal and development cycle to ensure that promising employees are provided with professional development and career advancement. Managers assess the performance of their employees on the basis of the past year's results, as well as their alignment with the Bank's culture.

367

managers have been selected for the talent pool for 2020

30%

of the talent pool promoted in 2020

Effective employees with high potential are included in the cross-functional talent pool through voting. The cross-functional nature of the programme enables reservists to build a career in a direction that is of interest to them. Sberbank's reservists have access to modern tools for individual development, including career counselling, mentoring (working with a mentor), shadowing (internships with a manager) and participation in cross-functional business projects. In addition, all reserve employees have the opportunity to undertake training to develop the required competencies.

In addition, for several years the bank has been running the Leaders Teach Leaders programme. This programme uses an innovative approach that aims to create conditions for the transfer of knowledge and best practices from key managers to promising leaders at Sberbank. In the reporting year, 410 managers took part in the programme. The mentoring institute is used to develop support for the development of others, with around 400 specially trained executive mentors as well as the entire top team.

Effective Employees

We are consistently improving the employee's path at Sber: making it simple, clear, and personalized at all stages.

In 2019 it was decided to develop our own HR-platform "Pulse", which will be a symbiosis of the best global HR-practices, accumulated expertise and AI. The HR Platform will enable the transition from individual self-services to a comprehensive system for managing end-to-end client scenarios within talent attraction and development, goal setting, assessment and team management.

HR-platform will give managers and employees convenient and technological HR-tools, fully automate mass HR-processes, will accompany the employee on the whole client journey, freeing up time to achieve strategic goals. And we set a goal to build convenient and efficient client paths on the platform, so that the CSI is not lower than 85%.

ACQUAINTANCE AND INTEREST

The first step in the Employee Pathway is to get to know Sberbank and show interest in working for the company. At this stage, the bank has the opportunity to create a special and productive environment to attract future employees.

Candidates, in turn, have a chance to obtain information about career opportunities and prospects at Sberbank and learn more about the corporate culture.

The Bank's own career portals have become important channels for attracting new employees to the Bank:

rabota.sber.ru— for specialists with work experience

sbergraduate.ru— for graduates and students

To attract new employees, career groups in social networks "Career in Sber" are used, the number of subscribers of which amounts to more than 105 thousand people.

Formats to facilitate candidates' familiarisation with Sberbank and its culture

An internship and apprenticeship programme for young candidates;

Sberseasons paid internship programme, Schools 21.

1.3 MN

Audience by the end of 2020
SBERGRADUATE.RU
Sberbank climbed one place in Universum 2020, the leading ranking of employers for students:

the 1st (Top in industry) in the banking sector

the 5th in the IT and Business / Commerce categories.

The rating was compiled based on a survey of more than 25,000 best students from 106 universities. Sberbank attracted respondents with its large-scale projects in corporate digital transformation and a great need for innovative developments to continue growing the ecosystem. The Bank has strengthened its positions among the IT crowd and retained its traditionally high rating among the core specializations in the financial and business sectors.

COOPERATION WITH UNIVERSITIES

Sberbank actively engages in cooperation with higher education institutions.

In 2020, on the basis of cooperation agreements, we continued to develop cooperation with 315 Russian universities within the country. Of these, four universities have Sberbank's basic departments and 56 joint educational programmes are being implemented.

The agreements with universities allow us to actively develop cooperation in training and retraining, research and innovation and improve the scientific and educational infrastructure of universities in order to train highly qualified specialists to meet the current needs of business.

In 2020, Sberbank entered into

1
partnership agreement (NITU MISIS)

7
network agreements for the implementation of educational programmes (ITMO, South Federal University, RINH, BSTU, DSTU and SGRPU).

Sberbank's policy on working with universities, students and graduates is aimed at ensuring a steady inflow of professionally trained young specialists from among the best graduates to the bank and the ecosystem, as well as their quickest and most effective adaptation in all of the bank's divisions across the country.

15,000 students completed 2 career marathons organised to coincide with Students' Day and on 1 September. The Student Ambassadors programme was launched; 14 students in 12 cities represent Sberbank and have helped to reach over 500,000 students with their promotion and events.

COOPERATION WITH UNIVERSITIES

340

teachers from Russian universities were trained at SberU Digital Summer.

396

events were held at universities and online venues, including 17 lectures by top managers

Special programmes aimed at further employment of interns and trainees were implemented:

- 6,743 trainees, 365 of whom were employed as a result of the traineeship, of which:
 - online internships: 4,135
 - remote internship: 673
 - full-time internship: 1,935

More than 330 students have completed Sberseasons internships, of which 93 have been employed

School 21 internships: 446

The following events were held in 2020:

Graduation of Sber's educational programmes: 500 people covered, 153 participants

Sberbank became a participant in the All-Russia Graduation: 10 million coverage

Smart Sberbank competition: 13 finalists were selected

Final of the YA Professionals' All-Russian Olympiad: 45 finalists in Sberbank areas

Science +: coverage of 10 million

HIRING AND ONBOARDING

Sberbank continues to improve the recruitment process, making it more convenient for job seekers and faster and more efficient for the bank itself. A key indicator of the effectiveness of the recruitment process is the speed at which vacancies are closed.

The SberStream project, that is IT selection by streams (for mobile development), was implemented in order to unify the assessment system, to increase the flow of candidates, as well as to improve the technical expertise of recruiters. A unified candidate assessment process has been developed and a gamified quiz has been implemented. As a result of this initiative, the time-to-recruit was reduced from 45 days to 36 days.

Due to the anti-crisis measures, the Bank has changed the procedure for selection and hiring. All the interviews with candidates were moved online.

The year 2020 saw a comprehensive update of all the content, the existing orientation tools were updated in the context of new conditions. In the reporting year, 116 orientation measures covering 89.9% of new employees were performed.

The SberCode mobile app and the portal for newcomers in SF were updated in 2020. Hints, instructions and content on remote work were added to the webinars “First Steps at Sber” and “Bank Products”. Remote channels were added to “help me”, video materials on remote work were developed, and the product line was expanded (ecosystem products: food delivery, leisure activities, anti-crisis programs). A new consolidated report was built in the internal portal to track orientation KPI and to deal with any deviations.

The following tools were developed for employee orientation in 2020:

- SMS notification (up to grade 16)
- weekly pulse surveys for newcomers and their supervisors devoted to the important orientation stages in conditions of remote work
- calling of newcomers who are not covered by one of the orientation tools, communication through Outlook
- five “Welcome to Sberteam!” videos were created

The in-person program “Hello, Sber!” was split into three different events:

- monthly hour-long orientation meetings with top executives (weekly during the period from April to June)
- “Hello, Sber! Online” orientation meetings for Headquarters
- “Hello, Sber! Online” orientation meetings for Regional head offices

The measures related to hiring and orientation are a focus of attention for Sber. We understand the importance of new employee orientation and try to create a comfortable atmosphere for each employee to start working with us.



Sber's adaptation programme won gold in the international **Learning Awards 2021**

STAFF TRAINING AND CAREER DEVELOPMENT

Sberbank pays special attention to staff training and development and career development for its employees. Modern tools are used for this purpose, including digital with the use of artificial intelligence.

An important factor in employee performance is a system of continuous learning. It has a direct impact on career development and loyalty to the bank, so one of our key objectives is to create an adaptive training system for different staff groups.

In 2020, Sber employees underwent programmes aimed at enhancing various skills. We continue to help employees to develop three key skill groups, that is soft skills, digital skills, and professional skills. The Group plans to cover up to 40% of vacancies where candidates are scarce with internal candidates.

Through our factory of educational content, the Corporate University and the online educational platform, we plan to deliver training programs not only for our employees but also for outside customers, with 80% of the training programs available remotely for everyone interested. We use leading global position profiling solutions and AI recommendations on career development paths in our activities.

NAME OF THE PROGRAM, MEASURE, INITIATIVE, COURSE	BRIEF DESCRIPTION OF THE GOALS AND SKILLS TO BE DEVELOPED, THEIR UNIQUENESS AND IMPORTANCE FOR STAFF DEVELOPMENT	NUMBER OF EMPLOYEES WHO PASSED THROUGH THE PROGRAM DURING THE REPORTING PERIOD	DURATION OF THE COURSE, PROGRAM (HOURS)
Directors			
Director's Workshop	A comprehensive program for sales and customer service executives aimed at building an understanding of their role in building effective teamwork, developing people management skills and mastering the tools necessary for success in the role of an executive		
	The program consists of 3 levels:		
	<ul style="list-style-type: none"> Talent Pool The new head Excellence (2 master classes) 	3,895	18
		1,514	25
		7,057	16
Digital technology training program for directors	Professional digital technology reeducation program (with the issue of a professional retraining degree) for directors, conducted together with Imperial College London	200	528
Development program for HR business partners	This program is intended to facilitate the understanding of HR's new role after business transformation and to improve the performance of this function in the Sber ecosystem.	100	119
Development program for senior executives (conducted together with LBS)	This program is devoted to forming the management and professional knowledge and skills of a modern world-class executive, necessary for the successful implementation of Sber's strategy.	93	465
Industry expertise programs	A series of programs with the goal of creating an understanding and awareness of the given industry's main processes, to achieve a high level of client service.	590	2–20
People management programs (Development of talents, Fundamentals of managing people at Sber, People management: my leadership style)	A line of programs, in various formats, to improve the qualifications of directors.	2,620	20–35
Development programs for Regional directors	Training programs for regional directors aimed at forming the approach to decision-making on client relations management and team development based on systemic thinking.	77	34
Countering corruption	Sequenced electronic course developed to improve the qualifications of directors to counter corruption.	2,622	16
Sberbank 2020	Professional retraining program for directors (with the issue of a professional retraining degree), conducted together with the INSEAD Business School.	491	526
Sberbank Mini-MBA	A program aimed at developing the set of management expertise and skills among line managers necessary for the effective performance of their duties in line with Sber's strategy.	755	697
Financial advisor Sberbank First	Training program for financial advisors to achieve a high quality of client service.	168	22–37
Leaders Teach Leaders	An innovative approach to training devoted to the formation of the right conditions for the transfer of knowledge and best practices of key executives to prospective leaders in the Sber ecosystem.	410	1–10

STAFF TRAINING AND CAREER DEVELOPMENT

NAME OF THE PROGRAM, MEASURE, INITIATIVE, COURSE	BRIEF DESCRIPTION OF THE GOALS AND SKILLS TO BE DEVELOPED, THEIR UNIQUENESS AND IMPORTANCE FOR STAFF DEVELOPMENT	NUMBER OF EMPLOYEES WHO PASSED THROUGH THE PROGRAM DURING THE REPORTING PERIOD	DURATION OF THE COURSE, PROGRAM (HOURS)
Employees			
Integrated role training programs for common positions	Training programs for common positions aimed at providing employees with the knowledge and skills necessary for work in the respective position/role.	73,583	2.67–64
Analyst’s Workshop	A line of training programs, including: <ul style="list-style-type: none"> • fundamentals of working with data • analysis and structuring of information • SWOT analysis • effective problem-solving tools; • forecasting system development 	1,544	0.67–21.33
Client-centric Service Workshop	A series of training programs in service behavior in accordance with the standards adopted at the Bank when working with internal and external clients.	14,570	0.71–21.33
Cybersecurity Agent	A program aimed at developing the knowledge of cybersecurity employees.	17,354	2.6–4
Self-help (for specialists)	This program is focused on developing “Self-help” skills: emphasis is placed on the importance of developing emotional intelligence, understanding one’s own emotions, methods for managing one’s own emotions, and management techniques in communications with other people.	667	21.33
Employees (directors and specialists)			
Mindfulness: development of mindfulness practices	Program goals: <ul style="list-style-type: none"> • to support corporate culture practices as part of the program to develop mindfulness and a healthy lifestyle • to teach the basic techniques of mindfulness practices • to integrate specific approaches to mindfulness practices in one’s everyday life • to facilitate the development of resilience, emotional intellect and empathy 	390	36
I am responsible for that	Training program aimed at developing expertise in result management and responsibility.	3,223	6
Soft Revolution	The goals of the Soft Revolution program are: to reduce time-to-market and improve innovative potential through an increase in effective teamwork, the improved quality of interactions with business clients and cooperation.	18,236	4–5
Employee development programs in the Sbergile perimeter	Combined corporate expertise development program. Goals: <ul style="list-style-type: none"> • to provide insight into the Agile Mindset necessary for work within the Sbergile perimeter • to get to know the key roles, practices and tools of the Sbergile 3.0 framework 	12,361	1–88

STAFF TRAINING AND CAREER DEVELOPMENT

NAME OF THE PROGRAM, MEASURE, INITIATIVE, COURSE	BRIEF DESCRIPTION OF THE GOALS AND SKILLS TO BE DEVELOPED, THEIR UNIQUENESS AND IMPORTANCE FOR STAFF DEVELOPMENT	NUMBER OF EMPLOYEES WHO PASSED THROUGH THE PROGRAM DURING THE REPORTING PERIOD	DURATION OF THE COURSE, PROGRAM (HOURS)
Employees (directors and specialists)			
Compliance programs	This program makes it possible to provide employees with an understanding of the compliance risk management systems and hone compliance risk tracking skills when planning activities and taking decisions, and to foster a compliance culture at the Bank.	73,580	0.26–32
Risk management programs	The series of Risk management programs forms the required general professional banking risk management knowledge and skills among employees.	51,032	1–10
Programs on Occupational Safety and Basics of Fire Safety	The main goal of training under the Basics of Fire Safety program for company directors and specialists is to ensure the required level of overall occupational safety at the enterprise, develop practical fire prevention, lifesaving, personal and property safety skills in case of a fire.	10,953	40
Digital skills development programs	These training programs provide listeners with the crucial know-how necessary to form digital competency.	72,259	2–68

During the pandemic, employees were able to continue their training remotely thanks to the fact that we moved more than 50% of all training programmes to a remote format. As a result, we were able to make programmes available 24/7 and ensure that our employees were highly engaged in learning through microlearning, AI-based guidance, interactives, virtual 'pools', chatbots and other tools.

During the first wave of the pandemic, we made Sber's Virtual School available to the entire country. Training courses and videos on topics related to both remote working and personal and professional efficiency are available (in addition to the previously open SberUniversity courses)

In 2020 Smartcareer was successfully used—a career development tool that provides recommendations on vacancies based on big data and employee profile data. Also with the help of this tool an employee can form a development plan (choose a competence for development, add a goal for development). At the end of the year the service was used by 222.4 thousand users. MAU - 7.1 thousand, DAU - 0.5 thousand.

Total number of training hours of Group FTEs

2020

By gender		
Men		4,335,173
Women		9,977,157
Total		14,312,331
By employee rank		
Managers		3,309,878
Specialists		11,002,452
Total		14,312,331

Total number of training hours of Group specialists, breakdown by gender

Training hours



Total number of training hours of Group specialists, breakdown by employee category

Training hours



High potential employees are cultivated through participation in project teams, where 146 reservists and 148 successors take part, 40 top executives are Project Sponsors. 52 project teams have been formed.

The following activities to cultivate potential employees were performed in 2020:

- Talent sessions
- “Career mentoring” series of webinars
- “Mentors Club”
- “Mentors School”
- “Career Coach Club”

EVALUATION AND REMUNERATION

The majority of Sberbank employees (76% according to the engagement survey) link their income to their performance, understand the rules governing their salary, find it fair and competitive, and find their social benefits package attractive.

Sberbank has its own staff appraisal system that applies to all employees. The results of this appraisal have an impact on the variable part of employees' salaries and on their career development.

Under the 5+ appraisal system, each employee is assessed against two criteria - performance and compliance with corporate values. When determining final grades, mandatory calibration sessions are held to ensure the objectivity of the evaluations.

The bank also had the following employee remuneration management policies and in-house regulations in place in 2020:

- Payroll Policy of Sberbank
- Human Resources Policy on remuneration and qualification requirements for key employees of Sberbank
- Regulations on employee remuneration and benefits of Sberbank
- Regulations on performance-related pay for employees
- Regulations on the early remuneration program for employees that take risks
- Regulations on the deferred remuneration program for employees that take risks, Sberbank

EMPLOYEE REMUNERATION

We strive to create a comfortable working environment for our employees. To achieve this, Sberbank provides employees with competitive salaries and a corporate benefits package. Our employees' salaries consist of a base salary and a variable component. The variable part of the salary depends on personal performance and compliance with corporate values and culture, and is a direct consequence of the assessment received by the employee. We strive to ensure that all our employees are fairly remunerated.

Due to the necessity to implement crisis prevention measures at the Bank, a new version of Regulations No. 1031-12 "On Employee Incentives of Sberbank" was issued in 2020. Sberbank took several decisions within its purview to stabilize the variable component in connection with the uncertain planning conditions.

SOCIAL PACKAGE

Sberbank is seriously committed to maintaining health and wellbeing of our employees, and we closely monitor quality of corporate medical and insurance services.

In 2020 we launched a new, improved and enhanced program for voluntary health insurance (VHI) for our employees:

- a full VHI program after a probationary period (before: after a year with the Group);
- an increase in the standard number of base clinics in major cities;
- extended locations of registration (instead of cities of operation)
- program scope expanded (consumables for planned hospitalizations etc.)
- the Preventive Screening program expanded (ultrasound of the abdominal cavity, additional tumor markers, etc.)
- the Compensation program expanded (limit increased, added TCD, telemedicine, screening)
- the program for children expanded (scheduled examinations on decreed dates, certificates to kindergartens and schools, etc.)
- for relocated employees, an option the ability to maintain co-paid insurance for nearest and dearest in their hometowns
- VHI purchase for relatives at discounted prices outside the employee's registration sites
- additional purchase of accident insurance policy for relatives and an option to increase accident coverage

PROGRAM	BRIEF DESCRIPTION OF DISCOUNTS RECEIVED BY EMPLOYEES UNDER THE PROGRAM	NUMBER OF PROGRAM PARTICIPANTS			AMOUNT OF PROGRAM FINANCING, RUB MILLION		
		2018	2019	2020	2018	2019	2020
Corporate pension program	Granting of a corporate pension to participants in the CPP through Sberbank Non-State Pension Fund	195	214	235	1,821	1,914	750
Voluntary health insurance	The program covers all Bank employees who have passed the probation period	292,000	273,000	288,000	2,110	1,378	2,595
Full medical exams	The program was not in place in 2015 and the first half of 2016	15,000	21,300	Not in place	not applicable (included in the VHI program)	not applicable (included in the VHI program)	not applicable (included in the VHI program)
Accident and critical illness insurance	The program covers all Bank employees who have passed the probation period. Insured events up to RUB0.5 million.	292,000	273,000	288,000	845	622	775

RETENTION AND ATTRITION

It is important for us to understand why employees decide to end their careers at Sberbank. For this reason, we carefully consider the factors that influence such decisions and analyse the reasons why employees leave.

We apply the practice of exit interviews for all departing employees and exit modelling, which make it possible to apply retention methods more effectively and to predict possible losses when employees leave their positions.

We have put in place a number of measures that aim to keep employees in their jobs and ensure their confidence in the future.

We have developed several programmes to enable employees to change careers or find a another job in your field:



The program “Relaunch 2.0” is aimed at obtaining a promising specialty: Java developer, Data Scientist, Data Analyst, Data Engineer and other highly sought positions at Sber.

- Studying—4,960
- Completed—820



expanded the relocation programme to rank-and-file employees in order to increase their employment opportunities at Sberbank.

Employees leaving the bank as a result of reorganisation and business process optimisation can take advantage of the special "Next Step" programme (<https://nextsteps.ru>). Under this programme, the bank facilitates the further development and employment of employees. The portal provides an opportunity to see open vacancies of subsidiaries and partner companies, to find answers to frequently asked questions, to get advice on building a future career, to understand legal aspects, to calculate payments, etc. The portal is now actively used by redundant employees and recruiters alike.

7,500

Participants of the ‘Next Step’ program

37,000 positions to be made redundant in 2020, of which 22,000 (59%) were employed by Sberbank

The employer notifies employees of the upcoming dismissal due to liquidation of an organization, staff numbers or positions reduction at least two months before the dismissal date pursuant to Article 179 of the Labor Code of the Russian Federation.

In 2020, we formed a community outreach programme for ex-employees and held a pilot project and a community alumni mithap for digital professionals. 40% of participants in the event were willing to consider Sbera's vacancies. This year we plan to scale up the project.

HR Tech

Sber strives to constantly improve its own HR services. The key factor in this improvement is the automation and digitalization of HR processes.

AUTOMATION OF HR PROCESSES

We successfully launched a pilot in number of bank subdivisions, and since October 12 a the "Pulse" HR-platform was implemented for employees of the central office, territorial banks and subdivisions of central subordination.

By the end of 2020, "Pulse" was available to more than 88 thousand employees in the WEB version and mobile application for iOS. The number of unique users of the HR platform exceeded 51 thousand people.

The main sections of the platform—Recruitment, Tasks, My Team, Assistant, Goals, Development and Analytics—help employees and managers solve work tasks and develop at all stages of the life cycle.

88k

employees were able to use the web-based version of Pulse and an iOS mobile app at the end of 2020

100%

of SberBank employees and some companies within the Sber ecosystem will be provided with the HR-platform in 2021

The HR Platform will automatically suggest the most appropriate solution, taking into account the behavior of the employee on the platform and the surrounding context. For example, which candidate from the list is better to take to the team, taking into account the personal profile of the person and the team projects, as well as the platform will prompt the manager, which of the team is worth retaining as a key employee and will offer retention methods.

DIGITALIZATION OF HR SERVICES

To date, we have digitalized more than 80% of all human resources processes and services and developed our own cloud platform. According to a survey, 89% of our employees are satisfied with the HR services (according to the employee survey). Today, we can hire, test, train and manage the productivity of staff almost exclusively online, and all our administrative services are concentrated in one center that serves more than 285,000 employees throughout the country.

Sberbank is actively involved in measures to digitally transform state and municipal services. Amendments to the Russian Labour Code enabled us to implement the Electronic Labour Book (EWB) project in 2020. Sber was one of the first companies in the country to switch to electronic labour books.

>80%

of all human resources processes and services were digitalized

By the end of 2020:

193k

employees (71%) have applied to switch to ETCs

178k

employees (70%)—already transferred

The Pulse HR platform will help us continue to improve our operational efficiency.

Flexibility and Culture

INTERNAL ENVIRONMENT

The internal environment includes a broad range of interrelated components, with corporate culture and the security of our employees taking of place.

When talking about the internal environment, we see the entire Sber ecosystem as the internal environment. We work hard to create a comfortable environment for all our employees, a place where they will have the most opportunities to realize their potential and improve their skills.

In 2020, we completed the largest agile transformation in the world, during which 100% of employees of the Headquarters and many subsidiaries were switched to Agile. This transformation has resulted in the product development period being reduced sevenfold, and the speed of introduction into commercial operation being accelerated fourfold, which means that we are now able to successfully compete with the largest technology companies. The Agile methodology has increased Sber’s attractiveness as an employer for IT specialists.



CORPORATE CULTURE

Corporate culture has a significant impact on improving employee productivity. Sber creates the conditions necessary for both professional development and for comfortable work.

Corporate culture is the key cog in the Sber business model. Our corporate culture is transformed under the influence of a wide range of factors, such as building the ecosystem; developing Agile and teal business models; the increased share of generation Y employees, who are more likely to expect an open and democratic environment and support for development and self-realization from the employer. We adhere consistently to an approach to transformation of corporate culture through a change in the behavior of employees, which takes place when there are appropriate role models, persuasive communication, support mechanisms and development of the skills needed for change.

A project to enhance the corporate culture was started in 2015. Its priority goals were responsibility and self-improvement, openness and trust, a united bank team and a spotlight on client interests. In 2019 priorities were adjusted. We have chosen a vector for building corporate culture 2.0. According to the new definition, Sber culture 2.0 is based on responsibility for results, self-improvement and the development of teams and ecosystems for the country’s benefit.

Priorities of corporate culture 2.0:

-  developing your personal potential and the team’s potential for high productivity
-  building a single Sber ecosystem
-  taking pride in your work, which brings benefit to the country and motivation for extra effort

New diagnostics tools were introduced in the reporting year that make it possible to remotely assess the atmosphere in the team and the condition of employees: measuring the level of stress of network employees, online diagnostics of the atmosphere in the team—tools have been built-in to the monitoring of the effectiveness of the work of the ISU channel and the system for developing directors in the network. The “Question of the Day” has been introduced (in the “Good morning, Sber” mailshot and in Sberfriend) for the efficient collection of employee opinions on important topics.

Engagement survey

In the first half of the year, more than 20,000 directors received the results of the engagement survey on their teams and received expert support from HR on how to use the results of the survey to improve their teams. In particular, the directors were trained through webinars, workshops and individual sessions. Due to the transfer of a significant number of employees to remote work in the second quarter, a remote discussion of the survey results was developed and implemented as one of the tools to support teamwork in the new conditions. As part of the work with the survey results, around 1,500 team meetings were held in functional blocks and in regional head offices to discuss the results, with the drafting of around 700 team development plans.

Using sociometry techniques (based on the engagement survey) and subsequent verification with HR and the management of RHO/FB, a pool of Corporate Culture Leaders was established—these are employees whose behavior represents a model of compliance with the values of the corporate culture. The pool includes nearly 1,700 employees and directors from throughout the Bank, who will be brought in to participate in HR processes (hiring, orientation, training).

Development of online tools to monitor the atmosphere in the Network

A pilot program to measure the level of emotional stress of employees through the ICS (a weekly survey of the level and reasons for stress among ISU employees) and online diagnostics of the atmosphere in ISU teams (gamified survey of employees to determine the team’s strengths and areas for improvement) has been launched. The new tools make it possible to expand evaluation metrics of the atmosphere in ISU, which will be used to cultivate directors and to form a productive climate in teams.

To support managers in working with teams, working remotely, a performance dashboard has been developed and launched, that allow to track the progress of team goals and the level of workload on employees in order to pay attention to employees in time, close to burnout. The dashboard also features the results of mood surveys, which help managers to identify barriers to team effectiveness.

Therefore, the corporate culture at Sber is a results-based culture founded on performance discipline, constant development and the innovation necessary to achieve success. At the same time, Sber is a place where people are important, where human relations form an atmosphere of mutual respect and collaboration, and where employees look to their future with confidence.

FOCUS ON EMPLOYEES

Sber continues to develop employee care programs. In 2020, the focus was on supporting the team in the pandemic (especially employees of mass. positions) - physical and mental health, support in the parental role in self-isolation, part-time work opportunities and remote work tools.

Sber for children and parents

The program is aimed at supporting employees in their parental role and developing relevant competencies. Sberbank's 160,000 employees have children under the age of 18, so the topic of motherhood and parenthood is particularly important. The Bank implements programmes for employee parents and their children. Employees are provided with financial assistance upon the birth or adoption of a child.

It is important to note that the tools and experience of remote maternity work tested earlier in the program have been used in Sberbank's mass transition to remote work. In 2020, a variety of online activities were developed to help employees through a challenging pandemic. It included:



competitions for employees' children, developing and shooting special videos for children, webinars, special courses to develop parenting and social (soft skills) competencies



For the first time, an Open Day for employees' children was held online, featuring more than 200 selfies by Ecosystem employees that garnered **more than 15,000 views (participants of the online Open Day)**.



During the self-isolation period, a new communication product was formed—thematic newsletters "When everyone is at home", **more than 20 issues were realized, the response - more than 50% of the target audience.**



Pilots were successfully conducted to engage young mothers with children in data markup, giving them the opportunity to earn extra income and stay connected with Sber. Work is underway to expand part-time job opportunities for young mothers with children.



After the self-isolation period ended, we relaunched the Smart Family Weekend at SberUniversity



More than 45,000 employees visited the Sber program portal for children and parents

ECO-EDUCATION

Eco-Education is an important project for Sber that promotes responsible consumption among employees. The EcoClub is an eco-education platform where employees and their families learn about frugal consumption in an interactive way, participate in eco-marathons.

#SBERTEAM100YEARS

The development of the program related to the support of healthy lifestyle continues, its goal is to help employees maintain health and energy on the way to a prosperous and happy centennial life. In 2020, the program launched a number of new products, the development and promotion of existing services continued.

Sberbank actively supports healthy lifestyles and tries to promote them among its employees and clients.

✓ During the pandemic, the service of psychological support from the SberHealth in the VHI became particularly popular

+40%

the number of referrals increased by 40% (more than 3,000 applicants, 7,500 consultations), the service was used for the whole country

✓ Psychological support groups have been launched, including those who work with COVID-19 patients

>2k

employees took part in them

✓ A community of Sber psychologists has been formed. Within its framework, the development of specific skills of employees of psychological services, the exchange of experience and best practices are carried out

✓ In the spring of 2020, at the peak of the first wave of the pandemic, online courses on stress management, maintaining energy and emotional balance were released

>100k

people have been trained in these programs, nowadays

- The "Take Stress under Control" course is aimed to support the bank's front-line employees, help them master the skills of quickly returning to norm after stress and maintaining efficiency even in the most difficult situations. Due to its relevance, demand, convenience, and high ratings, this course became a winner at the EdCrunchAward international competition in the category "Corporate Training".



This course became a winner at the EdCrunchAward international competition in the category "Corporate Training"

- The course "Mindfulness 24/7 in work and in life" is aimed to teach mindfulness practices.
- The course "Psychological health: support yourself and the team" helps employees to detect signs of psychological problems in themselves, colleagues and relatives and gives an algorithm of actions in such situations.

✓ As a part of the monthly Meeting of leaders, in January, the Sber community Longevity Club was launched—an association of people who want to increase energy and productivity, striving for a 100-year life. Within its framework, with the participation of the First Deputy Chairman of the Management Board A.V. Vedyakhin and leading experts, 11 meetings were recorded online, which collected >900 thousand views.

>900k

views

✓ For the development of healthy food in the Sber canteens, new requirements for food operators on the composition of the menu of healthy dishes and cooking methods have been formed and included in the tender documentation. As a part of "improving" the menu in the Sber canteens, the development of navigation has begun, encouraging employees to choose healthy dishes, and a pilot for a new healthy menu has been launched in 15 Sber canteens.

DEALING WITH FEEDBACK FROM EMPLOYEES

Sber has implemented a system of consultations on HR services. Any employee can ask a question or file a complaint 24/7 in the Sberfriend system using either a computer or the mobile app. Each message is given a number, its processing status can be tracked, and a period for providing a response answer is set.

The responses are prepared by HR employees (with the involvement of other divisions, if necessary). Based on the results of the consideration of the complaint or question, the employee receives an official response and can assess the quality of the provided information and ask additional questions in the Sberfriend system. For feedback and messages, the employee can use both the internal channel (Sberfriend) and other channels: a call to the HR contact center, an email, a letter, and other generally accepted methods.

In total in 2020, HR received 2,200 complaints concerning employment practices, relations with directors, the fairness of material incentives, ethics, etc. They were all processed and a response was issued to each complaint. The topics of the messages and complaints of employees are analyzed to improve processes and services.

Number of complaints concerning employment practices

	2016	2017	2018	2019	2020
Number of complaints concerning employment practices submitted using official mechanisms during the reporting period, including:					
processed during the reporting period	396	774	1,039	1,640	2,243
settled during the reporting period	396	774	1,093	1,640	2,243

The number of complaints is growing due to the improved accessibility of the complaint submission tool and increased employee awareness of the tool's capabilities.

Internal Customer Voice survey

At the end of 2020, the traditional Internal Customer Voice survey was held at Sber, with 185,000 employees of Sber and 10,000 employees of subsidiaries and associates taking part. The overall level of satisfaction was 89.3% – the highest level since 2017.



HR Strategy 2023

In the next three years, we will continue to develop and strengthen our team. We have formulated the HR vision as follows: "Unleash your potential at Sber: we develop the best teams, building the best ecosystem for the country".

Our strategy will be built around four main themes: effective teams, training and development, Sber's culture, and the HR platform.

1

Effective teams

We will continue to develop teams, motivate them to achieve the ambitious goals of Strategy 2023.

- We will give them all the tools to improve and increase the efficiency of their activities: Agile, tools of the "turquoise" organization, hiring the best people.
- We will launch a project exchange (a platform for freelancers), which will open up new opportunities: access to unique human resources and expertise around the world, the ability to hire on flexible contracts, increasing Sber's attractiveness as an employer.
- We will select talents using game formats, hackathons, develop a labor market monitoring model with AI elements and organize data analysis and development competitions.
- We will pay particular attention to the key people, strategy and teams. We will create training and development for them, special motivation systems and other support programs. We believe that the main principle in the motivation policy is management from the position of a business owner, i.e. "managing the bank's money as your own".

2

Training and development

- We will continue to help employees develop three skill groups—soft skills (cognitive, social and emotional), digital and professional skills—and will fill up to 40% of our vacancies with internal candidates.
- Advanced assessment tools will help objectively assess employees' needs in development and help to select the best candidates for roles.
- In our educational content factory, we will produce up to 80% of distance learning programs that will be available not only to employees, but also on the open market to anyone.
- AI-recommendation feed will offer personalized training 24/7 to every employee (Bite Size, self-generated content from employees, AI-picking external content, etc.)
- Expand training opportunities at SberUniversity for university students, managers and teachers.
- We will contribute to the development of our corporate customers by offering educational products and solutions.

3

Sber culture

We will continue to develop our culture according main values, such as "I am a leader", "We are a team", and "Everything is for customer". We will focus on responsibility and results particularly.

- We expect that our executives will further develop a new style of leadership needed in times of challenging goals, pandemics, saving resources, working remotely, new demands on collaboration and taking care of their teams.
- We will continue to develop a culture of open discussion of problems and continuous feedback and, based on them, the principles of agile culture.
- We will increase flexibility of our organization by giving Sber's employees more and more opportunities for development and "making your own Sber" work formats. We will offer them to develop on expert tracks, flexible work formats and engage them in volunteer and charitable activities.

4

The HR platform

We will continue to develop our cloud-based HR platform, which gives managers and employees convenient and technologically advanced HR tools and fully automates mass HR processes.

- The platform will be available to all candidates, Group's employees and our customers, including mobile version, which is important for the modern human being.
- It will help the manager to form a team, including external and internal hiring, to adapt newcomers, set tasks and manage team performance, develop themselves and employees, manage working time and tasks, and much more.
- The platform will be omnichannel, it will be personalized with built-in AI, voice assistant, biometrics and other advanced Sber technologies.

Corporate Volunteering

Corporate volunteering is one of the priorities and the driving force of the ESG agenda at Sber. Thousands of our volunteers all over Russia are involved in a host of social projects, helping people and animals, engaging in activities aimed at improving the world.

Many initiatives that started as small projects have expanded not only beyond the bounds of one group of people, one city, but also well beyond the bounds of the bank and have become an example of socially responsible behavior and “smart” assistance.

Community centers

Beginning in 2019, Sber started to implement a project to create community centers based on the network of their offices. The Bank’s employees deliver lectures and master classes for clients in various areas of expertise within the ecosystem.

Prior to the pandemic, the project had more than 1,700 participants in face-to-face meetings (topics: cybersecurity, financial literacy, starting your own business), and remote programs were tested during the pandemic. A Competition of social projects was held: the expert panel selected ten laureates from among the 54 projects, including two environmental projects.

Throughout the year, more than 2,000 volunteers joined the newly redesigned **Sberbank Volunteers platform**.

The **Sbersocial** information and outreach program was prepared and a project for our social partners, the leading volunteer organizations in the regions, was launched.

We supported the Russian national campaign **#МыВместе [#WeAreTogether]**, devoted to volunteer assistance for citizens during the lockdown order, including Sber pensioners and WWII veterans, and set up the volunteer association **“Всегда рядом. Всегда помним” [“Always close. Always remember”]**.

Online events were held for **International Volunteer Day**.

Helping others is not only a personal trait of a leader, but a characteristic of Sberbank’s corporate culture.

>300

projects of our colleagues have participated in the Competition of social projects over the past four years

Winners of the social project contest

1	“Give warmth”	Regular collection of targeted assistance for the needy, Uralsky Bank, Ekaterinburg
2	“Kind heart”	Giving developmental lessons for orphans in an orphanage, Yugo-Zapadny Bank, Nalchik
3	“Helpful—at home” (Special nomination “Project-based approach to a new challenge”)	Sewing of cloth masks for the needy, Far Eastern Bank, Khabarovsk
4	“Care for pensioners of Volgo-Vyatsky Bank”	Care for pensioners program (former employees of Sberbank), Volgo-Vyatsky Bank, Nizhny Novgorod
5	“Source of Faith”	Creative lessons for children with ICP and their parents, Povolzhsky Bank, Samara
6	Provision of free legal assistance to individuals	Legal assistance, Far Eastern Bank, Khabarovsk
7	“PATH” (Special nomination “Social startup”)	Mentoring and career guidance for schoolchildren, Headquarters, Moscow
8	“Save the trees under overhead power lines”	Re-planting of trees slated for cutting in public areas, Sibirsky Bank, Novosibirsk
9	“Ears, paws and tails”	Help for animals in shelters and finding them a home, collection of food and other assistance, Division directly subordinate to the Center, Novosibirsk
10	Eco-office, environmental upbringing (Special nomination “Sustainable approach to the resolution of environmental problems”)	Sorting of trash and environmental awareness work, Far Eastern Bank, Khabarovsk

Corporate Volunteering

Sber's Volunteer Movement based on the following principles:

- any employee can organize a volunteer project;
- the volunteer community is self-organized; employees cannot be forced to volunteer;
- employees are welcome in solving social problems in any form of voluntary participation: from monetary donations to organizing their own project;
- the bank does not limit the initiatives of its employees, but at the same time has its own focus topics;
- implementation of social projects by volunteers should be effective for the beneficiaries.

#SberSocial

In 2020, we launched the **#SberSocial** program, a series of educational webinars with key experts and clear instructions on how to become involved in your chosen area, for the participants in the social project contest and anyone interested in social projects. The winning projects will receive assistance and support for being replicated in Sber ecosystem, information and methodological support, while project leaders will be awarded certificates of recognition from Sber's senior management.

In the area of volunteering:

01

Volunteering efforts were suspended in March until the end of the lockdown measures at institutions. At the same time, volunteers delivered some of the lessons remotely. The special support services were launched on the common volunteer portal; among other programs, the Bank's employees provided support to volunteer teams promoting financial literacy for orphans together with the Contribution to the Future fund.

02

In response to the crisis, we supported the national campaign #WeAreTogether where volunteers assist individuals who have been self-isolating, including Sber pensioners and veterans of the Great Patriotic War.

03

A community of volunteers "Always close. Always remember" was also launched with the bank's support to provide support to veterans, including individuals who had been forced to self-isolate. Around 550 of the bank's volunteers opted to participate in more than 40 local activities, including a number that are available all year round. Some of the volunteers were trained on how to deliver assistance in the pandemic and provided targeted aid to the Bank's veterans for the Victory Day. While some volunteers took part in commemorative campaigns, others acted as grandchildren in correspondence with veterans.

04

The number of employees signed up for the Sberbank Volunteers online platform exceeded 6,000. The SberSocial information awareness program was prepared for them; 10 online meetings were held with key experts in different areas of volunteering and social design. Over 650 employees participated in those webinars.

05

An intellectual volunteering marathon "Let's Help Smartly" was launched, who come up with a way of providing volunteer assistance by leveraging professional and other skills.

Sberbank Volunteers online platform

Sber has an online platform called Sberbank Volunteers. At the end of 2020 over 6,000 employees had signed up for the platform. In 2020, a competition of social projects was held as part of the platform's activity. In total information about 103 projects and 242 events was provided on the platform.

Occupational Health and Safety

Sberbank always prioritizes occupational health and safety. The Group has an occupational safety management system guaranteeing staff health and safety.

Sber has established a uniform procedure to assess (self-assess) the operational effectiveness of the occupational safety management system. This procedure considers the operating specifics of the Bank and the key methodological approaches regulated by both state and national standards.

To assess the operational efficiency of the system, we calculate:

- the level of workplace injuries and occupational illnesses;
- the current level of working conditions at workplaces;
- the level of implementation of the action plan to improve working conditions and occupational safety and reduce professional risks;
- the level of compliance with occupational safety requirements;
- the level of the insurance contributions of the Social Insurance Fund (hereinafter SIF) spent on financing preventive measures to reduce workplace injuries and occupational illnesses.

An Occupational Health and Safety Policy has been adopted at Sber which stipulates that the Bank must guarantee the safety of the lives and health of its employees. Sber adheres to the following principles in its operations:

- Occupational health and safety are the duty of each and every one of us. Safety is guaranteed when each employee of the Bank finds the perfect combination of performing their duties, displaying initiative and assuming responsibility.
- The established rules, procedures, criteria and norms contained in federal laws and other regulations of the Russian Federation, and also the internal regulations and occupational health and safety instructions, are binding on all employees and are intended to protect employee lives and health during work.
- The initiatives of employees related to improvements in working conditions and occupational health and safety are introduced into practice.

To assess operational efficiency in this area, we apply a system of performance indicators, including key indicators which show the level of workplace injuries and occupational illnesses. In 2020, the injury frequency ratio contracted by 43% (from 0.56 to 0.32), while the injury severity ratio decreased by 7% (from 45.86 to 42.51). The frequency rate and the overall injury rate were reduced by half due to the fact that 70% of the Bank's employees work remotely. All accidents were investigated within the deadlines established by law.

Injury severity and injury frequency ratios at Sberbank

RATIO	FORMULA	2016	2017	2018	2019	2020
Injury frequency ratio	$K_f = T \times 1000 / C$	0.68	0.62	0.60	0.56	0.32
Injury severity ratio	$K_s = D / T$	36.27	42.99	39.57	45.86	42.51
Total severity ratio	$K_{total} = K_s \times K_f$	24.13	26.22	23.74	25.68	13.6

The Group and occupational health and safety specialists have set the following goals in this area:

- to consistently reduce the frequency of workplace injuries and occupational illnesses, accidents;
- to consistently reduce at workplaces or maintain at a specific level the professional risks arising as a result of the impact of hazardous and/or harmful production factors on employees, which might cause trauma, disease or lead to deterioration in their health;
- to implement actions to improve working conditions and occupational health and safety and reduce the levels of professional risks;
- to implement preventive measures aimed at reducing workplace injuries and occupational illnesses and support employees working in harmful and/or hazardous production factors through rehabilitation courses at a health resort, within the confines of the budgetary allocations stipulated by the budget of the Social Insurance Fund of the Russian Federation.

The Bank enables the Bank's employees to participate proactively in the management of occupational health and safety:

- engages employees to play a proactive role in managing occupational health and safety whereby each employee recognizes that he or she is responsible for his/her own safety and the safety of the people around them;
- provides employee representatives with comprehensive and accurate information required for the conclusion of the collective bargaining agreement and other agreements and the monitoring of compliance with them;
- considers the submissions of corresponding bodies and other representatives elected by employees on identified violations of employment legislation and other acts containing norms of labor law, adopts measures to eliminate the identified violations and notify the indicated bodies and representatives of the measures that have been adopted, etc.

Performance in workplace injuries at Sberbank

		2016	2017	2018	2019	2020
I. Fatal accidents						
Number of fatal accidents	Men	2	4	1	1	0
	Women	0	0	1	0	0
	Total	2	4	2	1	0
II. Workplace injuries						
Total number of employee injuries (including fatal injuries) per year	Men	69	76	63	51	31
	Women	114	107	94	91	64
	Total	183	183	157	142	95

No employees at Sberbank suffer from occupational illnesses.

Response to the Coronavirus Pandemic¹

The year 2020 set completely new challenges for Sber and the HR department.

Comprehensive support of the team, safety and protection of employees' health and psychological state while maintaining sustainability and efficiency of the company and each employee individually became a key task. Taking care of employees is part of Sber's corporate culture. By caring we mean a whole range of measures aimed at maintaining physical and mental health, flexible work opportunities, training and retraining in relevant competencies and skills to remain relevant to today's challenges, developing employees in various social roles, including parenting. Thanks to attention to these topics, Sber has proven being highly prepared for rapid change. Before the pandemic we restructured existing and developing HR processes so we were able to quickly move teams remotely, provide the necessary services, provide the necessary care programs, promptly monitor the condition of the team and receive feedback from employees.

For example, we already had the "Course" mobile app, using which employees could do many operations in HR sphere remotely: apply for leave, make out sick leave, coordinate business trips, and sign documents.

Even before the pandemic, we had conducted a pilot project on partially remote work for certain categories of employees: for example, working mothers who have recently come back from maternity leave. And with the start of the pandemic, a service was promptly implemented to transfer a significant number of employees to remote work mode, ensuring complete security of mail correspondence and telephone conversations, including the development of the necessary memos.

At the end of July 2020, the training "Working remotely at Sber" was released. The aim of this training is to help employees prepare for the transition to a remote format of work. It describes the order of transition to remote work, legal and labor aspects, cybersecurity rules, peculiarities of remote communication. The training is mandatory for all employees working remotely.

We continued to hold monthly leadership meetings that are the most important channel for informing Sber's leaders. During the pandemic, the leadership meetings were held remotely. Each leadership meeting highlights Sber's efforts to ensure uninterrupted operations and care for employees during the pandemic. At the end of each meeting, answers to received questions are prepared and sent to participants to ensure that employees can throughout the year get answers to questions that are important for them without waiting for the Direct Line, the Open Sber project is in place.

ENSURING SAFETY, TAKING CARE OF THE EMPLOYEES' HEALTH

During the COVID-19 pandemic, there was a shortfall in personal protective equipment. We made sure that the necessary personal protective gear was provided to all branches and employees of our Group. We also organized SARS-CoV-2 testing at the Bank's offices. In addition, we developed a process for the emergency supply of medicines to employees, including procurement and delivery. We also organized supplies of personal protective equipment for Moscow City Healthcare Department.

Sick leave compensation up to 100% of salary

We decided to compensate employees their sick leaves and pay them up to 100% of their salary. We noticed that some people are afraid of losing earnings during the period of illness. And we sure, that if an employee feels unwell, he should not hesitate to go to the doctor. Since March 2020, more than 200,000 employees appreciated this benefit. This program is in a progress. This measure has helped to keep our employees motivated during a difficult period.

In 2020, Sber launched a mood survey where we ask employees to assess their status and talk about difficulties with work and the reasons for their concerns. The survey results are passed on to management of the bank, bank units and tribes. The results are intended to help with the structuring of effective teamwork.

"Remote Work Marathon"

A special project "Remote Work Marathon" was launched to keep employees informed as they made the transition to remote work. Under the project, the employees received a mailing with interesting and useful information, which makes it easier for them to get into sync and make the switch to the new work format. For example, employees received useful tips from the Bank's senior management team in webinars, lifehacks on organizing the home working space, on combining work and parenthood under one roof, on how to interact when teams are dispersed.

In April 2020, five waves of a bank-wide mood survey were conducted. While in the first survey we saw a high level of anxiety among employees online (who could not switch to remote mode due to the specifics of their work), subsequent measurements showed an increase in calmness among employees in our branches, due to the fact that they felt care and support from Sber. Traditionally, employees working remotely have a higher level of calm. Surveys also show that as time passes, technical and organizational problems (access, IT system operation) decrease, and emotional difficulties come to the fore, problems related to interaction within and between teams intensify.

Based on the results of mood surveys, a number of measures are taken to reduce anxiety levels and improve the quality of interaction in teams: regular communications on security measures in offices and on how to respond in cases of employee illness; support for managers in strengthening informal communication in teams; training materials on communication skills in remote work, etc. The Bank developed materials on how to work during lockdown: guides on configuring access, recommendations on how to organize work, training marathons, etc. We based on the experience of a "Flexible work" pilot for employees on maternity leave jointly with the Anticovid Headquarters.

"Back to the Future"

After the end of the lockdown, a second marathon "Back to the Future" was launched, with the objective of helping employees to return to the swing of office life more quickly, adapt more easily to the changes and new rules, and find the best ways to interact with anyone who still works remotely. Under the project, employees received a mailing with interesting content and assignments, and also tips from experts.

¹ For more information on Sber's measures to protect customers against COVID-19, please see section Best client experience and ecosystem in Management Report on pp. 38-88 and section "Response to the coronavirus pandemic" of the "Responsibility to customers" chapter on pp. 242-261

2,710

In just 21 days 2,710 participants joined the project.

>1,100

In the first 21 days, over 1,100 employees participated in the marathon.

Response to the Coronavirus Pandemic¹

Sber takes the main requests of its employees into account and tries to give an adequate response and provide feedback on key issues.

ENSURING SAFETY, TAKING CARE OF THE EMPLOYEES' HEALTH

TOPIC/ISSUE	SUBJECT MATTER	ACTIONS TAKEN BY THE BANK IN RESPONSE TO THIS ISSUE
Fear of getting sick during the pandemic	A fear of getting sick and infecting loved ones was the main reason for employee anxiety during the pandemic. This feeling was especially strong among employees who work with clients in Sber offices.	<ul style="list-style-type: none"> • Transfer of 70% of employees to remote work • Provision of personal protective equipment to employees at work (masks, hand sanitizer, social distancing) • Regular across-the-board testing for COVID (entry to the office only with valid test results) • Calls by HR to sick employees and monitoring of the situation with hospitalized employees • Provision of the opportunity to seek psychological support (through telemedicine under the VHI) • Launch of the HR Situation Center We have set up hotlines for pandemic-related and employee support issues. To provide full informational support, we launched the HR Situation Center in May 2020 on the basis of the Contact Center, which responds to questions from the team 24/7. • More than 24,000 inquiries for 2020 were received on the following topics: <ul style="list-style-type: none"> • COVID-19 testing, • processing and payment of sick leave, • arranging absences to comply with self-exclusion, • remote labor processing. • Launching a telephone assistant robot (in conjunction with Services Block) Since November 2020, the bot has made nearly 300,000 calls and helped identify more than 300 employees with COVID-19 and pneumonia.
Productivity during remote work	<ul style="list-style-type: none"> • The risk of a decline in team interaction and a reduction in team productivity due to the hybrid work format • Technical problems with remote access to Sber systems • Insufficient support from the director • The risk of burnout due to the increased workload during remote work 	<ul style="list-style-type: none"> • Productive remote work marathons were introduced • Recommendations on work formats and their effectiveness were developed • Training materials, recommendations, and life hacks from directors on effective remote communication and how to maintain normal communications within a team were developed • A team productivity dashboard, where directors have access to information on the team's current workload and on the problems the team is facing, was developed
Retention of the possibility to work remotely after the pandemic	There was a desire among employees to retain the possibility to work remotely after the pandemic. This is particularly important for HQ employees (73% of HQ employees would like to be able to work remotely after the pandemic)	Sber has officially instituted the possibility for a hybrid work format (in person/remote). This procedure will take effect after the pandemic

¹ For more information on Sber's measures to protect customers against COVID-19, please see section *Best client experience and ecosystem in Management Report* on pp. 38–88 and section *“Response to the coronavirus pandemic”* of the *“Responsibility to customers”* chapter on pp. 242–261

Social Responsibility

287 Financing of Socially Significant Projects

288 Sber Educational Projects

289 Development of Footprint Regions and Assistance to Local Communities

291 Charitable and Sponsorship Projects

295 Response to the Coronavirus Epidemic



We care about our clients, employees and their families in the regions where we have a presence. We pay attention to their development, provide them with a comfortable work environment and care about their health.

We pay particular attention to enhancing financial literacy and supporting and developing school education in Russia. We are convinced that a high-quality modern education is important and necessary for the prosperity of our country and, accordingly, our clients.

Sber devotes considerable time and effort to projects to support veterans, people with disabilities, orphans and children with developmental disorders, and is also concerned about the development of sport, science, healthcare and culture and works on the preservation of cultural heritage.

In 2020 our Group won the Program “Best Social Projects of Russia” in several nominations at once, with due account of the following projects:

“Special Bank”	“Sberbank export accelerator
The Pat-a-Cake program for cashless payment for meals	“BRIS Utilities Billing Platform”
“Financial literacy from Sberbank”	“Strelka” and “Social account”

We continue developing our partnership with the state with the ambitious goal of offering technological solutions at the federal and regional level.

Financing of Socially Significant Projects

The financing of socially significant projects is an important area of Sber’s social policy. The financing of major projects of key social significance for regions and the country as a whole facilitates economic growth and supports local communities. We want to create new jobs, boost tax revenues to the budget, create infrastructure assets and support the development of domestic production. We recognize our influence in the regions where we have a presence. Consequently, the key goal of our social policy is to increase the level and quality of life of the population as a whole.

Socially significant projects include the construction of transport, energy, production and social infrastructure assets in the regions where Sber has a footprint. At the country level we are enhancing the prosperity of the population through financial and investment services.

Sber approved financing of the construction of new educational facilities in compliance with the federal project “Modern School”. The total volume of allocations exceeded 7 billion roubles. Among others, a unique educational complex for 4,550 students in Nizhny Novgorod region received financing. The experience of implementing this project will be taken into account by the Ministry of Education of the Russian Federation when developing amendments to the state program “Development of education”, which is scheduled to be launched in 2021.

EXAMPLES OF THE FINANCING OF SOCIALLY SIGNIFICANT PROJECTS IN 2020:

Social infrastructure assets, housing and public utilities

- >70 BN RUB
 - Modernization of the infrastructure of the housing and public utilities sector (water supply, wastewater disposal, heat supplies)
 - Reconstruction of the Olimpiyskiy National Sports Complex
 - Construction of Kuzbass Ice Palace
 - Construction of Kuzbass Arena Sports Complex
 - Construction of General City Hospital Facility of the City of Mezhdurechensk

Transport

- >30 BN RUB
 - Financing of the supply of railcars for Ivofga electric locomotives in order to provide the MCD (Moscow Central Diameters) with a sufficient number of rolling stock
 - Financing of the construction of the Central Ring Road (CRR)

Environmental protection and energy

- Provision of a syndicated loan to the special project vehicle of the Wind Energy Development Fund for the construction of the Kazachya Wind Farm with a capacity of 100 MW in Rostov Region

Food and agriculture

- 23.4 BN RUB
 - Financing of the construction of a production warehouse complex for baked goods and confectionery in the Moscow Region
 - Construction of a new dry baby formula production unit
 - Construction of a birch plywood production complex in Vologda Region
 - Financing the construction of commercial dairy farm for 1800 animals in Sverdlovsk Region
 - Construction of the largest fruit storage facility in the Southern Federal District

Education

- >7 BN RUB
 - Approval was granted to finance new projects for the creation of educational infrastructure assets on PPP principles in constituent entities with the greatest need to eliminate double shift schools in accordance with the federal project “Modern Schools”

Municipal solid waste

- 19 BN RUB
 - Approval was granted to finance the construction of modern waste processing complexes in five regions: Belgorod Region, Kaliningrad Region, Moscow Region, Penza Region, Sakha Republic (Yakutia)

Sber Educational Projects

Sber makes a substantial contribution to implementation of national strategy objectives of enhancing the financial literacy of the general public, developing financial education, training of children and young people in digital skills and the study of artificial intelligence technologies.

In 2020, Sber connected Russian schoolchildren to the Digital School Platform. Thanks to Sber, schools in various cities of the country received a digital solution and were able to ensure the continuous study of the curriculum. In addition to the remote format required today, the platform provides educational organizations in the regions with a number of advantages. In particular, teachers can prepare and check assignments faster, give students prompt feedback on the studied material, automatically generate internal reports on the educational process, and communicate with children and parents online.

Various training and methodological complexes are presented on the platform. Thus, for example, the “Prosveshcheniye” Group provided free access to electronic versions of the manuals included in the Federal list. Assignments are presented in various formats on the platform: texts, videos, graphics, interactive materials. The platform tools help schoolchildren to develop the 21st century skills: the ability to set goals and achieve them, understand themselves and others, be creative and critical, collaborate and work in a team, solve problems and challenges.

THE FOLLOWING MAJOR PROJECTS CONTINUE TO BE IMPLEMENTED AS PART OF OUR EDUCATIONAL PROGRAM:

“School 21” initiative

The innovative educational initiative developed by Sber makes it possible to train world-class IT specialists. The school is based on “school of the future” methodology used in the French school Ecole 42

>1,300

work stations for participants in the initiative in Moscow and Kazan

Digital school platform

The draft innovative education model which factors in the individual traits of each pupil and enables pupils to plan their own individual learning programs

65

regions use the SberClass resource for grades 5-9

“Digital skills and competencies” program

The program aims to improve and develop the digital skills of schoolchildren, enables them to study artificial intelligence and machine learning as part of the AI-Academy

86

2 million schoolchildren
24 thousand teachers from
86 countries participated in the lesson Artificial Intelligence

“Teacher for Russia” program

Project involving the training and support of talented specialists and graduates of leading universities in the country in all areas of expertise in desire to become teachers in general Russian schools, for the purposes of developing education in all Russian regions

95%

95% of the graduates of “Teacher for Russia” program remain in education, and the track “Director for Russia” has been launched

1,500

annual enrolment

2.5k

active schools in SberClass

2k

schools with a new model of “Digital Schools”

240

teachers in the program “Teacher for Russia”

THE FOLLOWING SBERBANK PROJECTS ALSO ENHANCE FINANCIAL LITERACY¹ IN THE COUNTRY:



The app SberKids



Vklad (Investment) financial game simulator



Safety for everyone



The “#AccessibleFinance” project



The “Financial Literacy” program



The SberCat community and chatbot in the Vkontakte social network



Finance basics for everyone



The “Active Age” project



Educational program for orphans at orphanages



The “Business Environment” project

¹ For more information, see Responsibility to Customers on pp. 243–261

Development of Footprint Regions and Assistance to Local Communities

The development of footprint regions is an important area of our activity.

Each year our Group participates in the achievement of infrastructure objectives in the footprint regions of the bank, finances the construction of social infrastructure assets, participates in projects to modern and reconstruct them, drafts and implements in these regions digital products and modern technologies in the areas of education, transport and services.

Sber supports small and medium businesses in the regions of presence. Thus, due to Sber, training platforms for entrepreneurs and the self-employed were developed, including the project "Region Business School" in 50 Russian regions. As part of the project, acting entrepreneurs and business trainers trained participants in modern methods of doing business. In addition, the SberNearby project was launched as part of the support of small businesses, motivating customers to purchase goods and services from local entrepreneurs with benefits for both parties. And with the opening of 63 regional branches of SberLogistics, entrepreneurs and the self-employed gained an opportunity to expand their sales markets through distance selling and a delivery service.

In the second quarter of 2020, after the start of the epidemic and the lockdown period, we created the service of products delivery through SberMarket, which became a socially important service for the entire country. SberMarket expanded its presence to 83 constituent entities of the Russian Federation, from Kaliningrad to Vladivostok. Today SberMarket is present in more than 150 cities, with a potential coverage of over 70 million people.

Examples of Sber projects on financing housing construction in 2020



In 2020 35,600 square meters of housing were built with the assistance of Sberbank loans in Kurgan Region: major residential complexes – Family, Bogatyr and Mostovik in the Zaozerny residential district, – and also phase two of the Sun Park residential complex on Solnechny Boulevard in Kurgan.

610 MN RUB +47%

amount of financing projects in the Kurgan region by SberBank

Now the construction of another four residential complexes over an area of 43,000 square meters has started with the bank's funds, total financing will exceed RUB 730 million.



In 2020 the Perm branch of Sberbank already approved ten district projects in the area of housing construction for over RUB 5 billion, three times more than in 2019. In July-August the developers of Perm received finance from Sberbank for over RUB 2.7 billion. Over 109,000 square meters of housing were built with these funds, or approximately 1,300 flats with standard residential space.

TAXATION

The Group's standards do not permit any form of tax evasion or tax base erosion. Members of the Group are bona fide taxpayers strictly complying with tax laws, as well as generally accepted principles and concepts of tax legal relations.

The Group maintains an ongoing dialog with tax authorities in the jurisdictions of its operation to ensure maximum transparency of the tax process for all the parties.

In particular, in 2020, the bank joined the tax monitoring program giving Russian tax authorities real-time access to the tax accounting data and source documents of the bank.

332 BN RUB

payments to the budgets of all levels and non-budgetary funds of the Russian Federation in 2020

The Group has a tax risk management system, which is part of the overall risk and capital management system aimed at ensuring sustainable development of the bank and the Group's members as part of the PJSC Sberbank Development Strategy approved by the Supervisory Board. The Group has established principles for the organization of tax risk management, including at the level of subsidiaries in foreign jurisdictions.

A centralized tax function is being created in the Group to develop the tax policy, manage tax expertise and methodological approaches, manage tax risks and exercise tax control. The tax function has a two-level structure and provides tax expertise both at the bank level and locally at the level of subsidiaries (including in foreign jurisdictions), ensuring the harmonization of methodology and approaches, while retaining the necessary flexibility and speed.

Sber actively participates in efforts to improve tax legislation and practices in the banking sector and across the entire tax system.



SberBank is one of the top 5 taxpayers in the Russian Federation.

Development of Footprint Regions and Assistance to Local Communities

PROCUREMENT AND SUPPLIER RELATIONS

Sber is actively developing a responsible procurement system. We are committed to the ESG principles in procurement and strive to implement them throughout the procurement chain.

In 2020:



the Code of corporate social responsibility for procurement has been approved and a mechanism has been launched to monitor ESG incidents for participants who have joined the Code;



ESG principles were elaborated for inclusion in procurement documentation for participants of competitive procurement procedures;

The Company has developed a Code of Corporate Social Responsibility for Procurement Activities. The ESG requirements set forth in the Code of Corporate Social Responsibility for Procurement Activities are proposed to be observed by suppliers.

The Code declares the following basic principles:

01

Social: no child and forced labor, corporal punishment, freedom of employment, equal rights and conditions, fair treatment, respect for working hours, fair wages and benefits, occupational safety and health, risk awareness and emergency training for employees, freedom of association and right to collective bargaining, non-discrimination.

02

Quality and environmental protection: product quality requirements, environmental compliance, product safety, workplace safety, safe handling of waste and emissions, respect for resources and minimization of climate impacts.

We are also exploring opportunities to switch to higher and environmental procurement.

For all categories acquired, Sber establishes additional requirements on the reputation, reliability and experience of the company in the area of the subject of procurement. The Group has a multi-stage procedure for assessing and selecting suppliers when purchasing complex products. At the same time, we are improving the mechanisms for studying and analyzing the product market in order to ensure efficient and appropriate expenditures.

In the fourth quarter of 2020, Sber started actively signing agreements that included ESG commitments. A total of 1,003 such agreements were signed in just three months.

Quantitative characteristics of PJSC Sberbank procurement activity

	2017	2018	2019	2020
Total number of suppliers engaged	54,478	46,977	41,236	38,185
Share of local suppliers ¹ in the procurement budget, %	99	98	96	96

¹ Local suppliers - suppliers registered in Russia

Sberbank pays particular attention to charitable and sponsorship projects and provides their systemic development. We provide targeted assistance to disadvantaged social groups, develop an inclusive environment, cooperate with charitable foundations and public centers. As part of charitable activity, we implemented education and healthcare, child welfare support and environmental protection projects in 2020. Our Group is concerned about the development of sport and culture, and also implements projects aimed at preserving our country's cultural heritage.

In this vein we continue implementing the project "Sberbank Together" – a platform enabling targeted automatic money transfers to charitable organizations. The platform brings together the benefactors and volunteers of 114 charitable foundations, employees and their wards.

Charitable and Sponsorship Projects

SUPPORT FOR VETERANS AND PEOPLE DISABLED AFTER MILITARY ACTIONS

The great anniversary – the 75th anniversary of victory in the Great Patriotic War – was sad for veterans, as they had the more difficulties in the context of the pandemic and quarantine measures. To provide veterans with specialist medical assistance, modern prosthetics, hearing aids, wheelchairs and solicitous support of volunteers, our clients made donations to the Memory of Generations charitable foundation.

In 2020, we continued implementing our program signing off SberSpasibo bonuses to the benefit of various charities, such as Contribution to the Future, Sozidanie (Creation), Memory of Generations, Podari Zhizn (A Gift of Life), Galchonok, and Rusfund.

Thanks to that campaign, the charities were able to provide support for their wards from different Russian regions, to improve the children's quality of life and prevent future complications by giving surgical treatment, vital drugs, donated blood, technical means of rehabilitation, and diagnostics and laboratory tests. As a result of the charitable funds' work, more than 1,000 children with critical illnesses and 200 veterans and invalids of the Great Patriotic War and other military operations received assistance.

×2

Total donations from Sber's customers to veterans equaled RUB 14.5 million. Sberbank matched this amount and sent RUB 29 million in assistance to veterans.

SUPPORT FOR CHILD WELFARE FACILITIES

Sber regularly supports and develops child welfare facilities. In 2020 we implemented projects on the construction of new premises of educational institutions and on the development of the creative capabilities of children. We pay particular attention to the creation of an inclusive environment for orphans and children with development disorders.

By the start of the school year Sberbank's Charitable Foundation "Investment in the Future" and Sberbank Together launched the "World of Open Opportunities" campaign aimed at the development of inclusive education in Russia. The proceeds will be spent on teaching alternative communication methods to children with development disorders. Most of the donations will be spent on organizing lessons for children from the Regional Non-Profit Social Organization Center for Curative Pedagogics and Prostranstvo Obshcheniya Non-Profit Organization: during the school year specialists will be able to deliver systemic intensive courses for the children, which will change their lives and help them assert themselves, teach them how to use special gestures, symbols and visual symbols for communication, provide them with other new knowledge and skills. The remaining amount will be spent on the organization and delivery of a series of seminars, training courses and webinars for specialists from the regions.

As part of support for child welfare facilities, in 2020 over 2,500 analyses were paid for more than 200 children with cancer and hematological diseases. Also, almost hundred dangerously ill children received assistance, treatment, rehabilitation equipment, consultations and exercises with specialists.

In 2020 the annual campaign "Good New Year's Gift" was also held on the eve of New Year. During this campaign customers and employees assisted centers engaged in the development and adaptation of children in need of psychological and pedagogical support. Sber customers donated almost 19 million rubles, and the amount was doubled by the bank. More than 40,000 developmental classes will be provided in 2020 for the foundation's charges with the funds that were raised.

The Box of Courage is a joint social project between Sber and the Ministry of Health of the Russian Federation aimed at supporting children undergoing treatment in Russian hospitals. The participants of the project can help to fill "boxes of courage" with toys in hospitals. Toys are given to brave little patients who have left the procedure rooms. For 2020, 5.1 million roubles were collected together with the bank's partners for the purchase of toys, and 164 hospitals received more than 30,000 thousand new toys for children.

SUPPORT FOR PEOPLE WITH DISABILITIES

In 2020 our Group continued to display concern for people with disabilities.

In 2020 Sberbank also partnered the ExoAthlete team in competitions of sportsmen with disabilities Cybathlon 2020 – Global Edition and provided its own track for the testing and training of athletes in exoskeletons. The athletes had to complete an obstacle course, performing different assignments, for example, going up stairs, opening and closing doors without any help, etc. The Russian team came fifth.

SUPPORT FOR CULTURE, SPORT

Each year our Group supports and organizes cultural, sports and other socially significant events, including tournaments and competitions. We provide charitable assistance to sporting federations and clubs, leading Russian museums and theaters and support the holding of concerts, shows and festivals.

Thanks to the Bank, leading Russian theaters, music performers and museums have been able to stage new shows, hold music festivals and concerts, and organize science and art exhibitions, all subject to pandemic restrictions.

Restoration of the Khudozhestvenniy movie theater in Moscow was completed in 2020 as part of our support for culture. Construction work on restoration and outfitting of Europe's oldest cinema theater with a more than a hundred-year history had been conducted since the autumn of 2019 by Sber's team, which has won acclaim over the past five years completing more than 70 construction projects of various scale across Russia.

To develop physical fitness and popular sport among the general public, Sber holds the annual charitable run "Green Marathon". The social campaign has already become a traditional sporting holiday. However, owing to the coronavirus epidemic Green Marathon-2020 was canceled.

448.2 MN RUB

Sponsorship to support cultural projects

In 2020 the reconstruction of Spartak stadium in Saratov was a socially-significant project in support of sport. Once all the work has been completed, the stadium will offer the following facilities: the main football field, a mini football site, track and field race tracks, grounds for workouts and opportunities to pass the Ready for Labor and Defense program. The upgraded stadium will be open to track and field, triathlon, rowing, football and ice-skating schools.

CHARITABLE ENVIRONMENTAL PROTECTION PROJECTS

As part of charitable projects in the environmental sector, every year Sber implements environmental programs and campaigns to preserve and replenish natural resources, participates in the creation of environmental roadmaps in footprint regions, delivers presentations at seminars, lectures on environmental education, and develops environmental volunteering. Sber employees participate regularly in city Saturday clean-ups, and also organize their own events to clean up areas adjacent to office, and different park and forestry areas¹.

CHARITABLE HEALTHCARE PROJECTS

Sber implements social programs to support healthcare. In 2020 this charitable area was vital against the backdrop of the adverse epidemiological situation caused by COVID-19. As part of the fight against the coronavirus infection, we implemented corresponding charitable campaigns and programs, provided humanitarian aid to people needing personal protective equipment, and supported healthcare organizations and R&D institutes².

In 2020 the Sozidanie foundation launched a fund-raising campaign to make sure that during the coronavirus pandemic healthcare institutions had everything they needed: respirators, masks, gloves, protective overalls, sanitizers and other personal protective equipment. Total donations equaled RUB 14.2 million. Each ruble was used to protect those who save lives during the pandemic: 34 hospitals in 20 Russian regions received all the personal protective equipment that they needed. In total 3,436 people participated in the project.

¹ More detailed information on environmental protection and renewable energy projects is disclosed in the subsection "Green Projects"¹

² Detailed information on the Company's contribution to the combating with COVID-19 is disclosed in the subsection "Response to the coronavirus epidemic, including solutions based on artificial intelligence"

The SberSpasibo program continues to be implemented

Since December 2018 Sberbank has been implementing a pilot campaign enabling Program Participants to use the Bonuses that they have accumulated to transfer cash contributions to charitable organizations. As part of the campaign, in 2020:

- Over 558 thousand participants handed over in aggregate more than 280 million bonuses;
- In total there were more than 1,122 thousand donations;
- The average withdrawal per day exceeded 862 thousand bonuses;
- Over 31.3% of participants in the campaign make regular donations to charity.

In 2021 Sber will continue implementing charitable and sponsorship projects in the main areas of charitable activity which have a positive impact on the quality of life for different social groups in our regions presence.

Key results of charitable actions in 2020:

194 MN RUB

raised at SberTogether as assistance to doctors and in the fight against COVID-19;

300 MN RUB

SberSpasibo bonuses donated by customers to help children, veterans, doctors;

200

events from the Charitable Foundation "Investment in the Future"

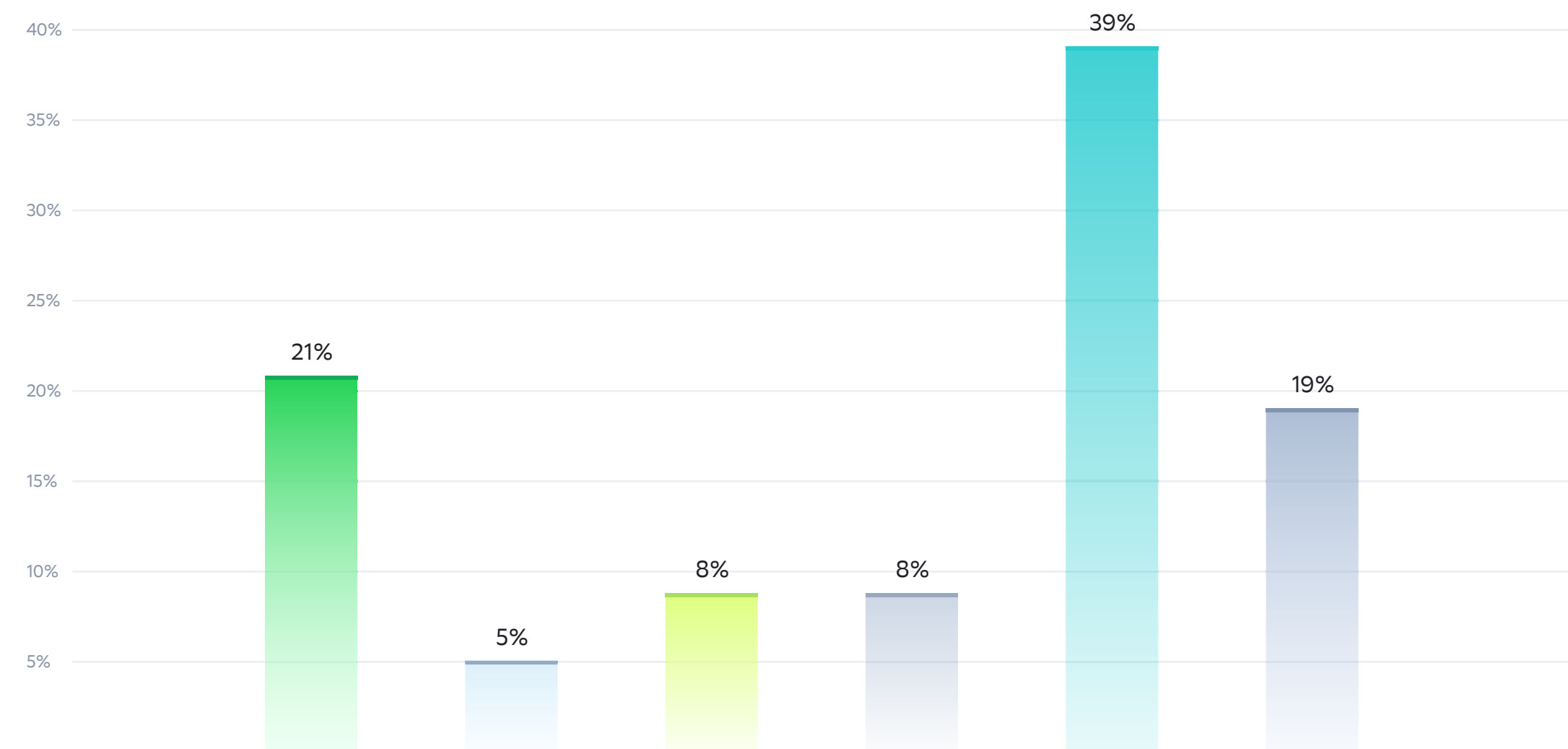
Group costs on charity, RUB million

AREA OF CHARITABLE ACTIVITY	2016	2017	2018	2019	2020
Child welfare facilities, development of the creative abilities of children, inclusive environment	753.3	472.3	826.6	989.5	2,011
Culture	615.6	2,591.2	863	598.7	448.2
Education	403.8	761.4	955.6	612.1	725.3
Veterans and people with disabilities	103.5	207.0	269	392	768.7
Healthcare	194.8	180.5	296.1	377.8	3,742
Other (including R&D, environmental protection, sport, and financial aid for employees)	1,849.3	1,792.6	1,572.7	2,624.5	1,765.8
Total:	3,920.3	6,005.0	4,783	5,594.6	9,461

Sberbank charitable spending, RUB million

AREA OF CHARITABLE ACTIVITY	2016	2017	2018	2019	2020
Child welfare facilities, development of the creative abilities of children, inclusive environment	751.9	467.1	824.7	984.8	1,775.7
Culture	559.2	2,562.3	861.3	596.2	381.5
Education	360.8	743.6	953	581.8	718.1
Veterans and people with disabilities	100.3	203.3	265.6	389.2	604.9
Healthcare	193.4	179.1	295.8	188.7	2,900.5
Other (including R&D, environmental protection, sport)	1,658.9	1,499.4	1,571.6	2,621.8	1,717.9
Total	3,624.5	5,654.8	4,772.2	5,362.8	8,098.6

Breakdown of Group charitable spending, RUB million



- Child welfare facilities, development of the creative abilities of children, inclusive environment
- Culture
- Education
- Veterans and people with disabilities
- Healthcare
- Other (including R&D, environmental protection, sport cnoptm, and financial aid for employees)

Response to the Coronavirus Epidemic

Healthcare was the priority area of Sber’s social activity in 2020.

Against the backdrop of the adverse epidemiological situation, Sber and the Charitable Foundation “Investment in the Future” implemented the charitable program “Let’s Stop Coronavirus Together”. The proceeds of the campaign made it possible to support a number of R&D projects to develop a vaccine and other drugs to treat patients and prevent the spread of the coronavirus infection, and also projects to study the specifics of the new virus and its impact on the human body.

Under the charity program “Let’s Stop Coronavirus Together”, Sberbank matched every donation by a bank customer.

The initiative was supported by over 48,000 individuals and 127 companies, transferring more than RUB 89 million to the foundation. As Sberbank committed to matching donations, in total over RUB 179 million were raised.

As part of its support for Russian regions, departments and organizations, Sber sent 4 million protective masks and respirators, 50,000 pairs of disposable gloves, 30,000 protective overalls and hundreds of liters of sanitizers to support Russian citizens needing personal protective equipment.

Key results of healthcare projects in 2020:

>48_k

individuals supported the initiative “Let’s Stop Coronavirus Together”

>89_{MN} RUB

received the Charitable Foundation “Investment in the Future” under the charity program “Let’s Stop Coronavirus Together”

>179_{MN} RUB

were raised taking into account the matching donations by SberBank

2,1_{MN}

registered users of SberHealth in 2020

4_{MN}

protective masks and respirators

50_k

disposable pairs of gloves

30_k

protective overalls

>100_L

of sanitizer were sent to support Russian citizens needing personal protective equipment

122_k

telemedical consultations were conducted in 2020

Sberbank’s performance in the healthcare sector in 2020 and forecast for 2021:

	2019	2020	2021
SberHealth users (registered)	0.75 mn	2.1 mn	6.2 mn
Telemedical consultations	48 k	122 k	240 k
Models for medical services based on AI	4	11	15

In order to ensure the availability of services for diagnosis and treatment of patients with COVID-19 and related diseases who are under treatment in medical institutions, thanks to the Bank's support the construction and equipment of an infectious diseases hospital in Tulun, Irkutsk region was completed; in addition, systematic charity support was provided to medical and state institutions, as well as to socially oriented non-profit organizations for the purchase of vital medical equipment and protective gear.

Solutions based on artificial intelligence

In 2020 we received an award from Comnews Awards 2020: digital technologies against COVID-19 in the nomination “Best digital solution in the healthcare sector”. The most votes were garnered by a project to read CT scans of lungs developed by companies of Sberbank Group – SberHealth and SberCloud. This project is based on artificial intelligence algorithms developed by Sberbank’s Artificial Intelligence Library, and the computing capacities of the Christofari supercomputer. The system makes it possible to receive a breakdown of a CT scan uploaded to the website in just 5-10 minutes and to identify the infected parts of the lungs and the extent of infection.

Our main projects in the healthcare sector in 2020:

PROJECT	RESULTS OF 2020
Humanitarian assistance as part of the SberSpasibo campaign	As part of support for healthcare in the period of the severe epidemiological situation, in 2020 we procured and transferred over 130,000 units of personal protective equipment to 29 healthcare institutions from 15 of the country’s regions
Robot operator on the COVID-19 hotline answers popular questions from the general public, notifies callers of treatment methods, the lockdown, preventive methods, and also communicates online statistics on the number of people infected with COVID-19 in the Russian Federation	<ul style="list-style-type: none"> • No waiting time for a response on the hotline • Information is available to the public round the clock • Several-fold decrease in the load on the contact centre regarding standard questions • No longer any need to hire temps and train them • The autonomous non-commercial organization Digital Economy included this case in the list of the best solutions in enhancing the effectiveness of the interaction of the state and society
Project “Observation of COVID-19 patients”	<p>Pilot projects were conducted in 25 Russian regions, with five regions moving to commercial operations.</p> <p>22,600 patients are monitored</p> <p>204 state healthcare institutions are connected to the platform</p> <p>354 regional document conduct consultations under the project</p>
The project “Arrange a house call”. In 2020 the healthcare platform SberHealth launched a new service which makes it possible to use the services of a general practitioner or pediatrician at home, and order a COVID-19 test	The service eliminates the need to visit places where there are mass gatherings, and accordingly helps to reduce the risk of infection with COVID-19

In 2021, Sber will continue to develop projects in healthcare, with the goal in 2023 to take a leadership position in key segments of digital healthcare based on technologies of artificial intelligence.

Environmental Impact Management and “Green” Financing

299 “Green” Financing

303 Environmental and Climate Action Solutions Based on Artificial Intelligence

304 Effective Consumption of Resources and Use of Materials

305 Responsible Waste Management






306 Climate Action and Increasing Energy Efficiency



Sber strives to minimize its adverse impact on the environment and climate, and accordingly upholds the principles of careful management of the environment, implementing various “practical ecology” projects at the Group.

In its role as a financial institution, SberBank also promotes a decrease in the ecological footprint of customers, borrowers and recipients of investments, including integrating environmental requirements in financial instruments and procedures. As a proactive participant in the country’s economy, Sber is helping to establish a responsible financing market (including green financing).

Sber implements the environmental policy in the following areas:

-  Effective consumption of resources and use of materials;
-  Rational waste management;
-  Improvement in energy efficiency;
-  Climate action;
-  Development of the concept of a green office;
-  Use of artificial intelligence to resolve environmental and climate issues;
-  Financing of green projects.

Sber is a proactive participant in a number of organizations and initiatives forming the national agenda on climate change, environmental protection and green financing. They include:



Interdepartmental Working Group for Issues Related to Climate Change and Sustainable Development Under the Administration of the President of the Russian Federation;



Russian Chapter¹



Interdepartmental Commission of the Ministry of Industry and Trade of the Russian Federation on the selection of green projects to obtain state support.

Partnership with Russian companies, including financing “green” projects of our Clients, is an important area of work in Sber’s commitment to environmental responsibility. The direct impact of Sber on the environment is small compared to the enterprises of traditional industries, and Sber makes every effort¹ to minimize it. We make an even greater contribution to solving environmental problems through the financing of “green” projects and the development of “green” financial products, services and tools.

COOPERATION WITH RUSAL

Throughout the year, Sber’s team interacted with key clients as part of ESG initiatives. In November 2020, an ESG cooperation agreement was signed with RUSAL, one of the global leaders in aluminium production, under which Sberbank will provide advisory and information support to RUSAL in the area of sustainable development.

¹ For more details, see the section “Sustainability and ESG: Strategy and management system”, pages 228–241

“Green” Financing

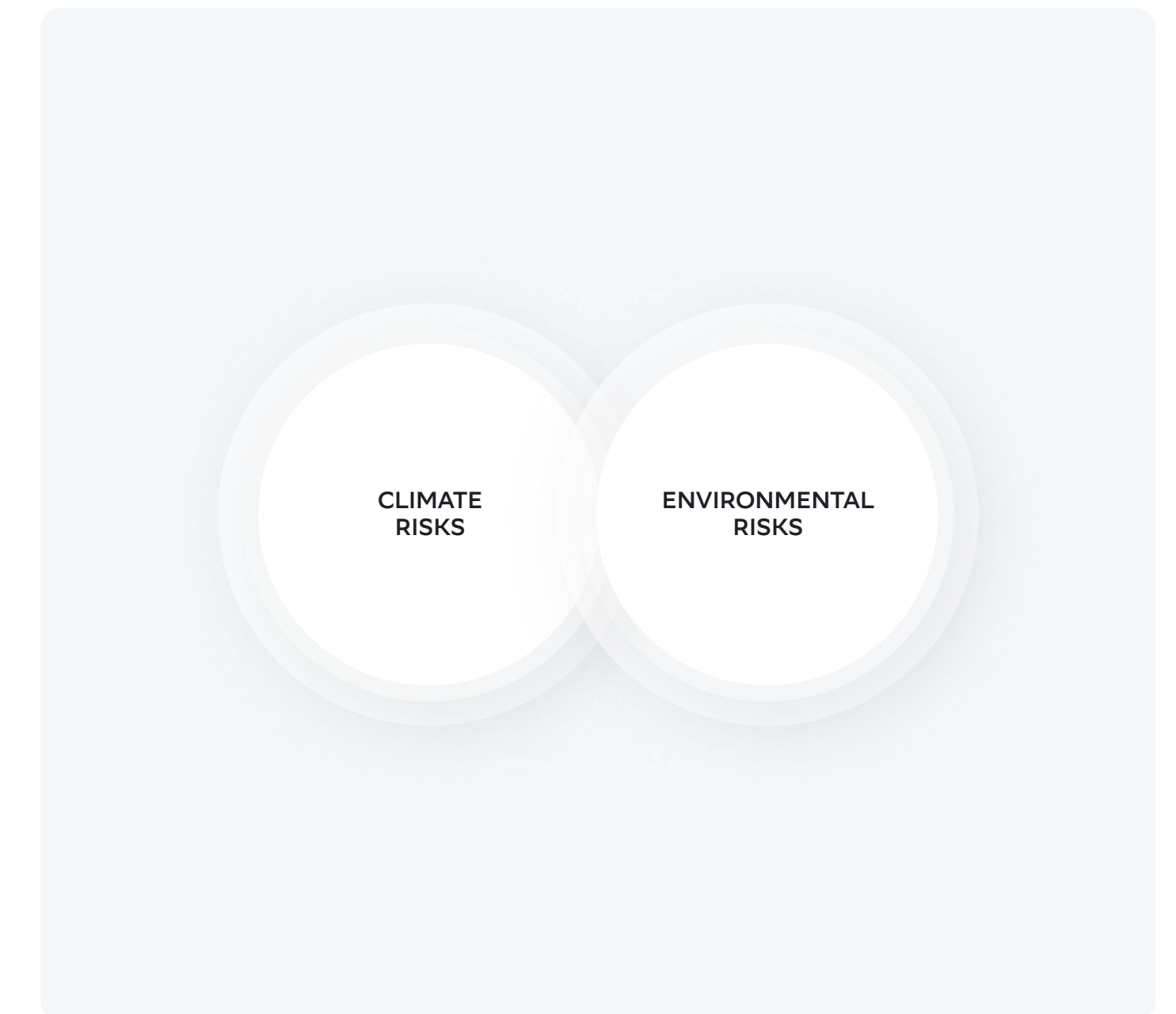
Aware of the importance of managing environmental and climate risks, we aim to support all customers in reducing their environmental and climate impacts. To do this, Sber develops a variety of “green” finance tools at the level of its own ecosystem, for its clients and for the whole country¹.

GREEN FINANCE SCHEME

Products



Factors



¹ Green financing is one area of responsible financing, see the section “Responsible financing”, pp. 237–239

“Green” Financing

“GREEN” FINANCING

By financing projects in the field of renewable energy, recycling of municipal solid waste and modernization of housing and communal services, Sber is actively involved in the formation of a “green” economy.

Renewable energy projects

Construction of a wind farm in Murmansk Region

In 2019 Sberbank and Enel Russia concluded an agreement on financing the construction of a wind farm near Teriberka, Murmansk Region. Sber provided a credit line for the creation of a wind farm of 57 turbines of 3.5 MW each. The equipment will be mainly produced in Russia. Commissioning is scheduled for the end of 2021

201 MW

capacity

Construction of a wind power farm in Rostov Region

In December 2019 Sberbank and the portfolio company of the Wind Energy Development Fund (the joint investment fund of Fortum and RUSNANO Group) concluded an agreement on financing the construction of a wind power farm in Rostov Region, In 2020, the Gukovskaya wind farm – 26 installations of 3.8 MW each – was put into operation

100 MW

capacity

Construction of a solar power plant in Stavropol Territory

Sber Group also participates in the financing of solar power projects. In 2019, as part of a credit line to the Solar Systems Group, Sber supported the construction of the Staromarievskaya Solar Power Plant in Stavropol Territory. In 2020, the power plant reached full capacity and became the largest solar power plant in Russia under a capacity supply contract. This major investment project created new jobs in the region, became a source of tax contributions to the consolidated budget and formed a unique experience in the operation of renewable energy facilities

100 MW

capacity

“Green” Financing

“GREEN” FINANCING

In 2020 Sber entered concessions in the sphere of housing and utilities for the first time, replicating the format that proved to be effective in other industries. In several regions, concessions help successfully modernize utilities, improving the quality of life of local communities.

>12 BN RUB

was approved for the modernization of utilities infrastructure (water supply, water disposal, heat supply)

27

regions participate in projects on the principles of public-private partnership (PPP) aimed at improving the quality of wastewater treatment and the transition to greener fuels

In addition, financing of the construction of waste processing complexes in 5 regions based on PPP principles was approved.

EXAMPLES OF PROJECTS IN THE SPHERE OF UTILITIES AND MUNICIPAL SOLID WASTE (MSW) MANAGEMENT

Construction of a multi-functional waste management complex and waste landfill in Kaliningrad Region

The Russian Direct Investment Fund (RDIF), Sibinveststroy LLC and Urbaser, a Spanish MSW operator, agreed in late 2019 to jointly implement a project to construct a waste handling complex for solid municipal and large-sized waste, an organomineral waste treatment station and a landfill for the disposal of non-recyclable waste. Launch planned for 2022

<350_к

tons of MSW per year

Construction of an eco-technopark for sorting and processing of MSW in Gubkin, Belgorod Region

In cooperation with the government of Belgorod Region and the company “Flagship”, a technology park was commissioned in 2019, which includes a fully automated waste sorting complex, a polymer processing plant and a MSW landfill

<250_к

tons per year

Modernization of the facilities of the centralized water supply and water disposal systems of Arkhangelsk

Sberbank and Rosvodokanal signed a strategic cooperation agreement in June 2020, under which the parties plan to implement a number of federal PPP-based projects with the aim of large-scale infrastructure modernization, improving the quality of drinking water, reducing accidents on water supply networks, as well as developing innovative solutions and implementing global best practices aimed at improving the environmental landscape in the Russian regions. In June 2020 Sber issued the first tranche of RUB 1 billion to RVK-Arkhangelsk LLC

Construction of an MSW landfill in Yakutsk

The project “MSW Landfill in Yakutsk” involves the construction of five maps – these are areas where garbage is stored. Construction and assembly work are scheduled to start in 2022

125_к

tons per year

“Green” Financing

“GREEN” LENDING

An essential condition for effective green financing is to consider environmental risks, which Sber considers to be an integral part of ESG risks in the credit analysis. In 2020, lists and approaches to ESG risk in credit policy were identified, which resulted in limited loans to corporate clients with an unacceptable level of ESG risk¹. As a result of the environmental risk assessment Sber tightened its credit strategy for certain sub sectors.

Sber has plans to apply ESG scoring to the entire loan portfolio, improve the assessment method, conduct an environmental expert assessment of major transactions, and develop “green” lending products.

Sber is developing an approach that will offer different terms, products and services to clients with different ESG risks, including environmental risks.

Sber considers the environmental and climatic factors not only when lending to corporate clients, but also in the retail business, and plans to develop this practice as part of the creation of and improvements to responsible financing approaches.

Aware of the growing role of ESG risks in the financial sector, in 2020 Sber paid attention to the development of stress-testing tools, including cross-border carbon regulation risks. Based on stress-testing results on global decarbonization risks, a tightening of national environmental and carbon regulation from the perspective of industry, macroeconomic and environmental indicators, scenarios were developed for the Bank of Russia. In 2021 Sber will continue work on the stress-testing tool and assessment of climate risks.

¹ See more details in “Management of ESG risks” page 240-241

GREEN INVESTMENT TOOLS FOR PRIVATE INVESTORS

In 2020 Sber’s private investors immediately gained access to two ESG investment strategies which include environmentally sustainable companies – these are the ESG indexes of Sberbank Private Banking Solactive SPB Foodtech Index and Solactive SPB Circular Economy. The SPB indexes showed significant resilience during the recession of March–April 2020.

Solactive SPB Foodtech Index

In February 2020 Sberbank Private Banking launched a second responsible investment strategy on the market – Solactive SPB Foodtech Index. The strategy enables Sberbank Private Banking customers to participate in the development of new FoodTech projects – the rapidly growing segments of alternative protein, organic food and food technologies, which are developing their businesses with due account of ESG principles.

The FoodTech sector brings together companies and startups implementing innovations in foods, their storage and delivery at all stages – from production to distribution. FoodTech is an important area of responsible investment, as the new technologies make it possible to reduce the use of animal meat, reduce their carbon footprint and increase food safety.

Solactive SPB Foodtech Index has been developed on the basis of the proprietary methodology of the investment team of Sberbank Private Banking and consists of shares in 15 global public companies operating in the FoodTech sector. The methodology factors in the development prospects of the food technologies of these companies, and also their business models, liquidity and capitalization. The index consists of companies producing meat substitutes and other non-animal protein products and responsible for the logistics of organic goods and developing distribution networks.

Solactive SPB Circular Economy

The SPB Circular Economy index provides clients with an opportunity to invest in the shares of global companies, share ideas of responsible consumption and integrate the use of renewable resources and renewable energy sources in their business models and strategies.

The index is based on the concept of a closed-cycle economy, or circular economy, which implies a change in the production model towards the use of renewable raw materials, the minimization of wastes, increase in the share of processed and recycled materials, and also joint use.

SPB Circular Economy includes the shares of international companies with capitalization of USD 10 billion and strong daily trading volume: Philips, Adidas, Nestle, Deutsche Telekom, Orange and others. The assets of the strategy will be rebalanced quarterly.

PLACEMENT OF GREEN BONDS

The year 2020 was marked by an important event for the developing market of green bonds in Russia. On 24 September Sber was the underwriter of perpetual bonds placed by Russian Railways with a volume of RUB 100 billion. This was the first major market transaction with green bonds on the domestic debt market.

The issue complies with the green bond principles of the International Capital Market Association (ICMA) and the Methodological Recommendations on the Development of Green Financing Investments in the Russian Federation of VEB.RF, as demonstrated by the independent opinion of the Expert RA agency.

The proceeds from the placement will be used to finance environmentally friendly transport projects, including, for the acquisition of electric locomotives for passenger transport; the construction and reconstruction of rail infrastructure; electrification of sections of the rail track; construction of waste and wastewater treatment facilities. These events will help to mitigate the environmental impact, in particular, through a decrease in emissions of greenhouse gases and pollutants.

Environmental and Climate Action Solutions Based on Artificial Intelligence

Sber uses artificial intelligence technologies to solve environmental and climate problems.

Sber develops environmental practices and management by monitoring ecological indicators, regularly publishing environmental reporting as part of sustainability reports; the Group has set targets at the ESG Strategy level.

The Group minimizes its own negative impact on the environment through the implementation of initiatives to improve energy efficiency, waste management, efficient consumption of materials, and reduce CO2 emissions within the value chain.

Sber implements training and awareness-raising practices on environmental issues as part of its program of gamification of the intelligent management system. 17,000 people took part in topical quests in 2020¹.

17_k

people took part in topical quests in 2020

NOFLOODWITHAI HACKATHON

An example is hackathon NoFloodWithAI, a competition to create a short-term water level forecasting algorithm on the Amur River to prevent flood emergencies in Russian regions. The project was prepared jointly with the Ministry of Emergency Situations, the Ministry of Natural Resources and Roshydromet.

The results of the competition are planned to be used to reduce environmental risks and minimize economic damage associated with floods. The project is of great importance, since between 40 and 68 crisis floods occur each year in Russia, and the average annual damage from them is estimated at ~40 billion roubles.

The goal for 2021



is to forecast river spills using the most accurate AI-based models to be identified from the work of the hackathon participants by comparing forecasts with actual data.

Plans for 2021



This is our second joint project with the Ministry of Emergency Situations aimed at preventing emergencies: previously, a WILDFIRE AI hackathon was conducted on the classification of forest fires. Plans for 2021 include holding a hackathon to detect the illegal trade in wild animals on the Internet in cooperation with WWF.

¹ For more information, see "Sales Network Development". Part 1, pp. 68–73

Effective Consumption of Resources and Use of Materials

Efficient consumption and recycling of materials, implementation of the concept of green offices, as well as dissemination of environmentally conscious behavior among employees and clients are Sber's priorities in the direction of the practical ecology.


Sber pays particular attention to the digitalization of the operating environment, which makes it possible to decrease the amount of paper used. Bins are installed in Sberbank's offices for the separate collection of waste into the main fractions (paper, plastic, glass, used batteries), with subsequent transfer for recycling. Sberbank set itself the goal of increasing the share of the separately collected waste to up to 40% by 2023.

In 2020, the amount of paper handed over for archive storage decreased by 48% (2.5 thousand tons of paper) compared to 2019; the reduction in paper documents issued to the bank's customers was 11% (1.2 thousand tons of paper). Taking into account the initiatives planned for 2021 to eliminate the use of paper in the bank's processes, the total for the period 2019-2021 the reduction of paper documents transferred to the archive will be at least 83% (6.9 thousand tons), documents issued to clients - at least 29% (2.6 thousand tons).

PAPERLESS BANK

Over the past few years Sber has been consistently reducing the use of paper in its processes: thanks to efforts to digitalize and optimize processes, paper is used only in situations where it is impossible to do without it according to legislation or at the request of clients.

Among the measures that Sber has already implemented to optimize paper flow are:

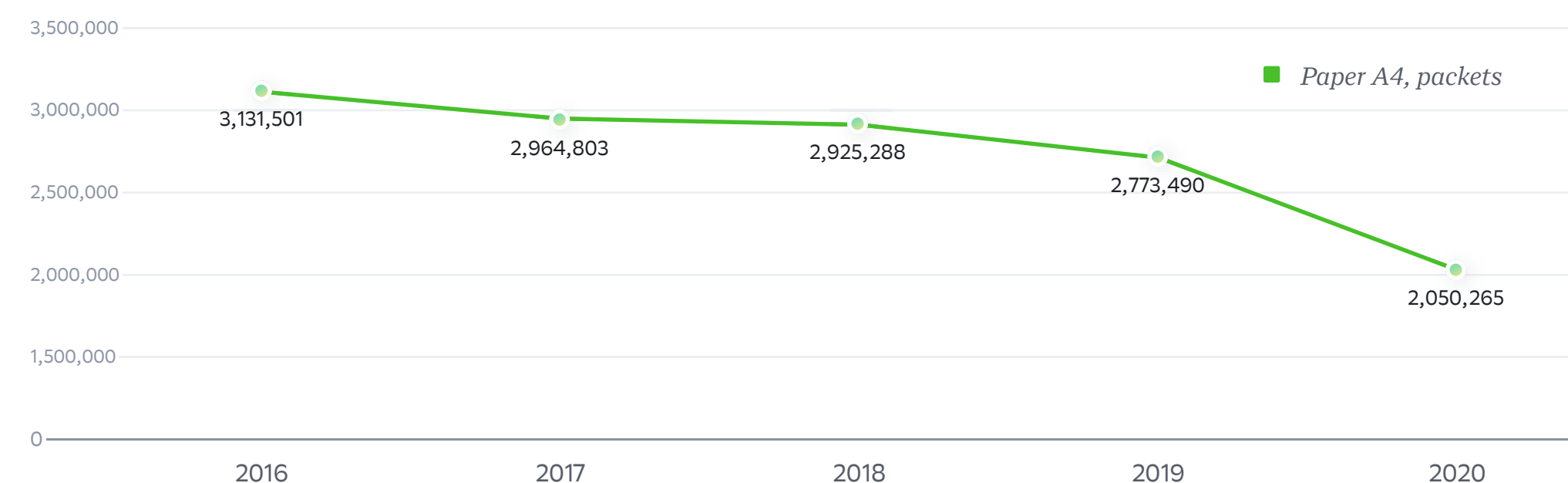
-  access to eco-products
 - a digital business bank card that enables to pay with a smartphone in retail networks and to purchase on the Internet using bank details;
 - electronic order of cash: online bank registration and delivery of cash via electronic cheque;
 - changes to the data of the legal case may be made without visiting the bank;
 - electronic drafting of certificates and documents.

Sber not only reduces paper consumption, but also increases the share of paper processing. Last year the bank transferred paper to produce cap holders, cardboard, napkins, raw materials for the pavement from the recyclable materials.

Another initiative was the collection of used plastic cups in 6 offices in Moscow and Moscow Region. The collected secondary raw materials are sent for processing and production of eco-pens. In 2020, approximately 10,000 cups were recycled, of which 2,000 eco-pens were made for Sber's corporate store.

Sber's offices actively spread environmentally conscious behavior. More than 70% of clients across Russia have agreed to carry out financial transactions without paper and are ready to transfer bank cards for processing. Environmental requirements have been developed in the standards for equipping all Sber offices.

Calculation of the amount of paper consumed by Sberbank PJSC, packets



Substantial fines and non-financial monetary sanctions, Sber Group

	2016	2017	2018	2019	2020
Total amount of payments for negative environmental impact, thousand rubles.	37,925	8,103	5,955	2,791	1,748
Total amount of fines for non-compliance with environmental laws and regulations, thousand rubles.	21,946	379	426	0	0

In 2020 the employees of Sberbank and companies of the Ecosystem participated in the annual Earth Hour environmental campaign organized by the World Wildlife Fund (WWF). As a sign that they were joining the Earth Hour campaign, on 28 March at 8:30 PM, using telemetry and remote-control system, light signs were disconnected for one hour at over 3,000 offices and branches.

Sber's plans to develop practices for the efficient use of materials include

- In 2021, it is planned to move towards the elimination of plastic and the optional provision of plastic bank cards at the client's request.
- By 2022, it is planned to reduce the number of printers used in offices by 30%.
- By 2023, Sberbank plans to completely refuse to store sheets in its offices, as well as to print on them, to abandon shredders and to replace fixed computers with tablets.
- Green tariffs are developed, which involve the benefits of performing operations in electronic form compared to face-to-face operations and the provision of discounts for the reduction of face-to-face and paper-based operations on an account.

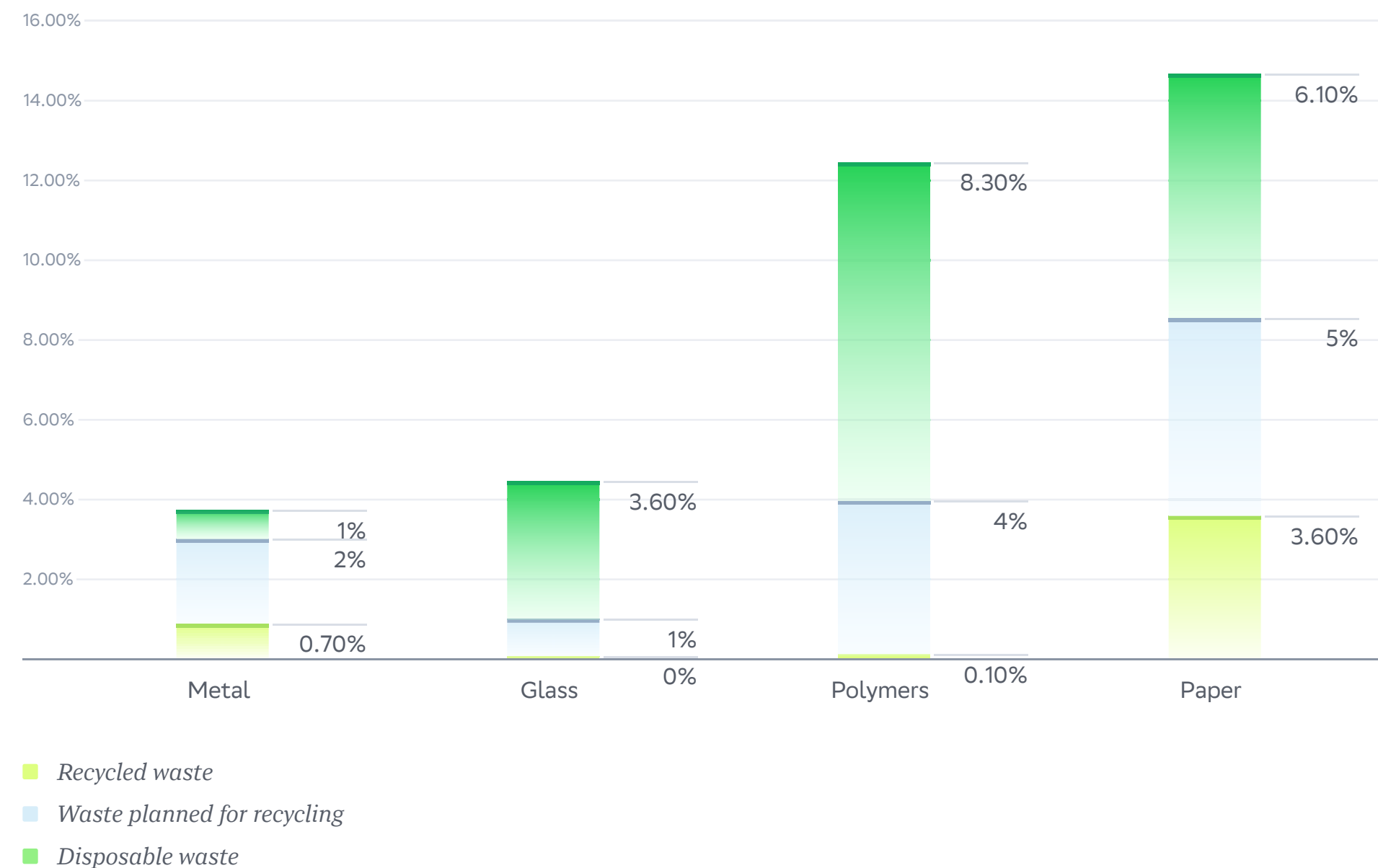
Responsible Waste Management

Sber strives to reduce waste generation by increasing the efficiency of use of materials, and to ensure rational waste management through reusage and recycling.

The nature of Sberbank's activity specifies the main types of waste, mostly non-hazardous: this is used paper, discarded office equipment, and various kinds of office rubbish. In addition, used cartridges, batteries and fluorescent bulbs are classified amongst common types of waste.

To reduce the amount of waste sent to landfill sites for burial, we are promoting separate collection practices. For the main types of waste, Sber sets goals to increase the share of recycled waste.

Waste management structure



Sber transfers, for recycling and decontamination, waste classified as:

100%

used electronic and electrical equipment (3,100 tonnes)

100%

archival documents (2,900 tonnes)

24%

waste from the utilization of buildings and transport (2,900 tonnes)

2.6%

waste from the activity of employees in office buildings (900 tons), including wastepaper, polyethylene, PET bottles and scrap glass

Rational waste management implies a reduction in its formation. In this direction, Sber aims to reduce the volume to 47,700 tons in 2021 and to maintain this level until 2023. In order to reduce the amount of waste generated, Sber plans to establish requirements on the packaging of products when purchasing goods, and to encourage the elimination of disposable utensils; revise the principles for accounting for waste generation.

The recycling target is to increase the volume of waste sent for recycling to 40% by 2023 (28% in 2021). Measures to increase the coverage and efficiency of separate waste collection include:

- extension of the practice of separate waste collection to offices, including offices of structural divisions, territorial banks (as part of the implementation of the eco-office concept);
- development of the practice of collecting and processing bank cards, including the certification of bank card wastes;
- updating the internal standard on waste management;
- optimization of the terms of contracts with regional operators for the disposal of MSW.

Paper waste transferred for recycling

	2016	2017	2018	2019	2020
Paper waste transferred for recycling, tons (for Sber Group)	2,355	3,399	2,999	5,025	1,456
Paper waste transferred for recycling, tons (for Sberbank)	2,339	3,376	2,375	3,698	1,162

Hazardous waste formed and transferred for recycling and safe disposal for Sber Group

	2016	2017	2018	2019	2020
Hazardous waste formed, tons	1,909	6,847	11,889	6,432	14,127
Hazardous waste transferred for recycling, tons	1,533	7,074	11,401	6,301	14,126

Low-hazard and virtually non-hazardous waste formed and transferred for recycling and decontamination for Sber Group

	2016	2017	2018	2019	2020
Waste from office and service premises, tons	54,583	40,360	40,080	35,470	27,595
Other low-hazard waste, tons	12,560	11,869	11,407	10,480	11,262
Total, tons	67,143	52,229	51,487	45,950	38,857

Share of separate waste collection

	2020	2021	2023 (PLANNED)
Share of separate waste collection	22%	28%	40%

The Bank’s subsidiaries and associates TOT and 2GIS developed jointly with Big3 the product “Find and Collect” to identify legal entities which do not pay for waste removal. The product makes it possible to solve an important problem of increasing the collection of payments for the removal of waste from legal entities.

Thanks to the analytical reports of the TOT and detailed and regularly updated information on the organizations of the directory, the 2GIS is able to create a list of new addresses containing points useful for regional operators. Implemented in Belgorod Region, Stavropol Territory, and Novosibirsk Region.

Climate Action and Increasing Energy Efficiency

INCREASING ENERGY EFFICIENCY

We work on the energy efficiency of our main properties—offices, servers and service outlets, and seek to reduce the amount of energy consumed.

In recent years, consumption has declined steadily for almost all types of fuel and energy resources, both in Sberbank and in Sber Group as a whole. Total energy consumption has contracted by 20% in five years.

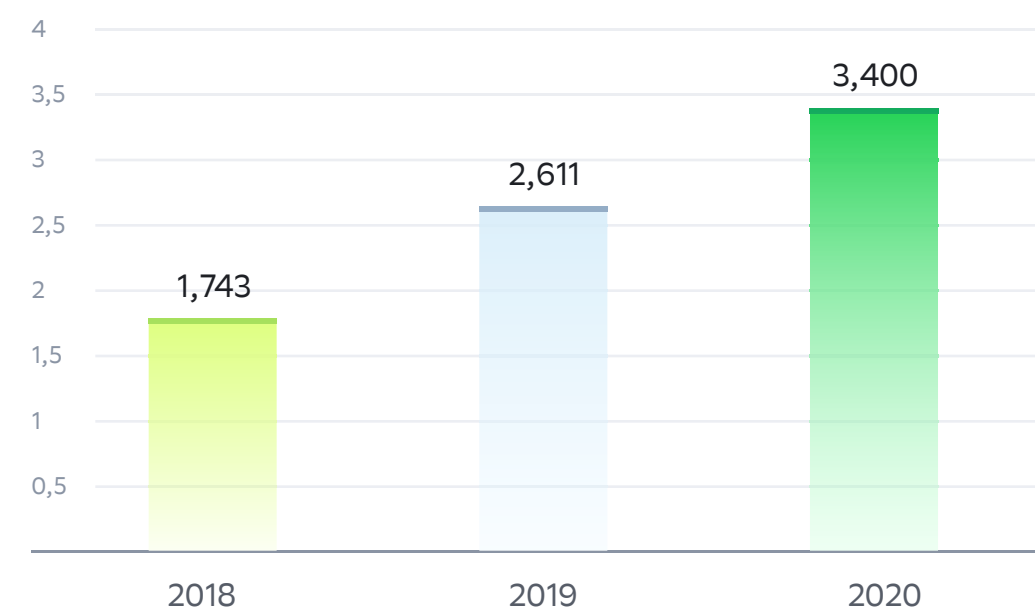
The following actions are being implemented to increase Sber’s energy efficiency:

- Telemetry and remote control systems for engineering systems are being implemented at our existing properties.
- Equipment with a high category of energy efficiency is being used. Energy-saving LED equipment is used in offices.
- All personal computers are disconnected at weekends and on public holidays.
- Motion sensors turning the lights on and off are installed in the kitchens.

Automated control systems for engineering networks, primarily telemetry and remote-control systems, which were deployed across 3,500 bank facilities, have reduced energy consumption by 28–30 million kWh, which is equivalent to RUB 145 million a year.

Today, most of Sber’s facilities, primarily large ones, are equipped with instruments metering fuel and energy resources. In the next 2–3 years, the bank is set to integrate them into a single automated system capable of analyzing the consumption efficiency of fuel and energy resources via artificial intelligence solutions. The annual average value of Sber’s generally accepted target for energy efficiency (specific electricity consumption per square meter of the real estate portfolio) is now 150–155 kWh, being one of the lowest values for such portfolios.

Quantity of objects within telemetry and remote-control systems, thsd



Due to Sber’s technological transformation, energy efficiency issues in data centers are becoming more pressing, and the Group responds to this challenge:

- The innovative system of direct cooling of computer equipment with pre-treated outdoor air reduces the average annual power usage effectiveness (PUE) ratio to 1.19, far better than statistical averages.
- The high-voltage power supply systems operate at 20 kilovolts, which makes it possible to reduce losses by 20% during electricity transmission, switching and transformation processes.
- Smart air flow management has also been implemented in computer rooms: cold air is supplied to the necessary area and in the necessary quantity. A raised floor two meters high reduces losses from turbulence and the mixture of hot and cold air flows.
- Instead of accumulator batteries, the bank tries to use an uninterruptible power system with mechanical energy accumulators.
- Applying a smart battery management system (BMS) capable of forecasting changes in temperature and relative humidity, the bank can prepare in advance for energy-intensive transitional processes.

Green construction standards are used during the design, construction and reconstruction of the bank’s properties.

Sberbank uses the voluntary building certification system LEED (Leadership in Energy and Environmental Design). This certification involves actions that make it possible to minimize the environmental impact both during construction (including the use of environmental materials) and during the operation of the building.

During the design and construction of Sberbank’s Technopark, and during the construction of the second module of the Data Processing Center of Sberbank at Skolkovo Innovation Center, LEED green standards are followed at the Silver level.

During the reconstruction and modernization of the equipment and properties, Sber insists on using energy efficiency category no lower than “A” and the following energy efficiency requirements:

- In the case of buildings/structures – indicators characterizing the unit expenditure of energy resources at the building, structure, facility;
- In the case of equipment – requirements on an energy efficiency category no lower than “A”, which make it possible to eliminate the unsustainable consumption of energy resources during construction, reconstruction, overhaul and operation.

Actions to increase energy efficiency are implemented in different subsidiaries and associates of the Group. Some organizations decline to use expensive sources of energy such as coal, firewood, and gasoline, and have transitioned to the use of the cheapest energy – natural gas. To this end, boiler houses and heat stations are being reconstructed throughout the portfolio of facilities as part of the target program up to 2022, which covers 95 boiler houses. During the construction of the facilities, the advanced technologies are used to ensure savings of non-renewable sources of energy during the operation of the facilities.

Sber is implementing a program to upgrade lighting systems, as part of which the Group is switching to energy-efficient LED lighting fixtures. During the period from 2017 to 2020, 79.4 thousand lighting fixtures were replaced. According to the results of 2020, 90% of lighting fixtures are energy-saving. According to the plan, more than 79.8 thousand lighting fixtures (7%) will be replaced in 2021. The additionally identified need to replace 39.2 thousand lighting fixtures will become the next horizon of work.

Fuel and energy consumption at Sberbank in physical and monetary terms for real estates

Consumption	2018		2019		2020	
	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000
Electricity, kWh	898,083,540	5,067,851	930,094,470	5,435,634	900,754,042	5,288,982
Heat, Gcal	871,935	1,554,289	618,970	1,266,781	543,224	1,162,121
Diesel fuel, liters	13,473,618	555,021	14,026,013	637,154	13,346,483	640,474
Gasoline, liters	3,647,339	149,895	3,305,424	146,609	1,713,859	78,350
Gas, cubic meters	19,845,160	125,027	14,702,890	112,071	12,755,637	89,062
Coal, tons	1,335	5,737	626	3,268	365	2,097
Firewood, cubic meters	1,500	2,053	1,228	2,194	1,379	2,303
Kerosene, liters	45,200	3,500	44,300	3,263	54,475	2,963

Consumption of fuel for car transport, Sberbank

RESOURCE	2018		2019		2020	
	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000
Diesel fuel, liters	21,178,433	867,624	19,575,874	747,426	18,653,261	752,867
Gasoline, liters	4,192,331	172,166	3,107,491	117,873	2,116,079	85,692

Total consumption of energy, Sberbank Group

RESOURCE	2016	2017	2018	2019	2020
	Electricity consumption, J	3,524,155	3,623,038	3,596,782	3,471,701
Heat consumption, J	239,334	219,568	209,286	156,948	936,037
RESOURCE					
Diesel fuel J	1,615,626	1,257,504	1,269,815	1,230,148	678,662
Gasoline, J,	1,058,170	297,882	267,942	220,058	131,520
Gas, J	658,681	820,970	804,442	513,359	436,836
Coal, J	24,986	33,384	34,700	16,276	9,490
Firewood, J	24,102	20,779	23,400	19,156	21,512
Kerosene, J	2,071	2,328	1,966	1,927	128
Total consumption of energy, J	7,147,124	6,273,125	6,350,721	5,630,405	5,549,791
of which total consumption of energy at Sberbank, J	6,904,823	6,005,553	5,685,352	5,466,796	5,097,659

Consumption of drinking water in physical and monetary terms, Sberbank Group

RESOURCE	2016		2017		2018		2019		2020	
	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000	Quantity	Cost, RUB '000
Drinking water, cubic meters	3,437,318	116,037	3,222,335	108,595	3,025,792	112,004	2,767,331	103,904	2,205,053	83,979

Water intake, Sberbank Group

	2018	2019	2020
Volume of water taken, cubic meters	3,009,137	2,752,369	2,324,923

Water discharge, Sber Group

	2018	2019	2020
Wastewater volume, cubic meters	3,040,423	2,806,465	2,320,653

General water consumption, Sber Group

	2018	2019	2020
Volume of water consumed, cubic meters	3,016,621	2,802,651	2,333,397

CLIMATE ACTION

Climate change is an important major topic for Sber. We are not only working to reduce our carbon footprint, but also taking an active position on this issue towards our partners and clients and setting the agenda at the national level.

Sber participates in the interdepartmental working group on issues related to climate change and sustainable development under the Administration of the President of the Russian Federation. As part of this group, Sber is involved in the development of government policies on sustainable development and climate change.

Sber strives to create an effective climate management system and focuses on best practices, international standards and principles. Work continued in 2020 in the following areas:

- Reduction of carbon footprint—reduction of greenhouse gas emissions and their compensation.
- Identification and assessment of climate risks for the company and loan portfolio assets.
- Development of a Climate Strategy to reinforce Sber’s systemic approach to climate risk management. The Strategy will be approved in 2021.
- Financing of green projects for the development of renewable energy sources in Sber and Russia.
- Participation in international and Russian climate initiatives and events.

Sber's plans for 2021 are to start calculating the carbon footprint to then form and execute a plan to reduce it. A methodology for this calculation was prepared in 2020.

When developing and implementing targeted energy efficiency programs (see “Increasing energy efficiency” and “Green energy”), Sber makes calculations of GHG emissions reduction, which will be ensured by planned measures.

PROGRAM	DECREASE IN CO2 EMISSIONS
Reconstruction of boiler houses and heat stations	1.19 tons/year
Modernization of lighting systems (replacement of lighting fixtures with energy efficient LED)	3,516 tons/year
Supply of green energy	142,000 tons/year

Sber regularly assesses the emission of CO2 from the operation of service vehicles and strives to reduce it. Some of the trips were transferred to Taxi, and the Company is gradually transferring personal transport to cars with hybrid and electric engines. The goal by 2024 is to shift 100% of personal vehicles to hybrid vehicles, which will reduce CO2 emissions from 38,513 tons in 2016 to 2,169 tons in 2024. When implementing the project, Sber considers existing limitations, for example, the lack of infrastructure for charging batteries. This problem is resolved by installing charging points near the Sber buildings.

A decrease in pollutant emissions is also being achieved through the timely repair and scheduled preventive maintenance of the car fleet.

The implementation of Sber’s climate agenda in financial activity is performed through the development of financial products that consider climate factors and climate risks within the framework of ESG risk management. For example, when lending to borrowers, Sber monitors the appearance of environmental and climatic risks and integrates the practice of differentiating relations with clients depending on the level of ESG risks¹.

In addition, we develop convenient indexes that help private investors implement ESG-based strategies².

¹ See “Management of ESG risks” on p. 240-241

² “Green investment tools for private investors”, p.302

CLIMATE ACTION

In 2020, Sber took part in the first EU-Russia Climate Conference devoted to climate policy and next steps to implement the Paris Agreement in Russia. The conference, organized by the Representative Office of the European Union in the Russian Federation and the Energy Center of the Moscow School of Management SKOLKOVO, was held online and brought together high-ranking politicians and officials, senior managers of companies, experts, representatives of leading thinktanks, non-profit organizations and mass media from Russia and the EU.

Participants discussed a wide range of climate-related issues: national and corporate climate strategies, opportunities and challenges for decarbonization of the domestic market, renewable energy, financing of green initiatives, border carbon regulation, the role of forests and adaptation strategies.

Alexander Vedyakhin, First Deputy Chairman of the Management Committee of Sberbank, spoke at the plenary session titled ‘Climate and decarbonization strategies in the COVID-19 era – Perspectives from Russia and the E’U, and talked about the main areas of Sber’s work in the fields of environment and climate.

Sber strives to shape a new segment of ‘informed’ clients, raising awareness of the ESG agenda and interest in it through eco-services. Our services, for example, help to track the carbon footprint in the structure of personal finances and suggest investing in projects to compensate for the footprint.

In the future, we plan to continue implementing financial and non-financial services within our Ecosystem aimed at increasing the attractiveness of environmental projects for clients and supporting the transition to a sustainable economy for any enterprises operating both on the external and domestic markets.

GREEN ENERGY

An important area of work in combating climate change is the transition of energy supply to green (renewable) energy. In this area, Sber aims to increase the share of green energy purchases to 30% by 2023.

Sber is implementing a green energy supply program, which includes bringing into the wholesale market of electric power and capacity (OREM), purchasing electricity from renewable (green) sources, as well as individual solutions and supplies from the retail market. 27 major facilities representing 9% of the energy consumption structure have already been transferred to the OREM, and the supply of green energy will be launched in 2021. Facilities that are using 22% of electricity will begin to consume green energy from 2022. Individual solutions to supply green energy from the wholesale or retail market will be organized by 2022 for facilities consuming 7% of electricity. Another 62% of electricity is consumed by small facilities, for which a single supply scheme is impossible and point solutions are needed under conditions of legislative and cost restrictions on the retail market.

In October 2020, Sber had its first green energy office, the central branch of SberBank in Ulyanovsk, which consumes approximately 90,000 kWh per month. All electric power supplied to the facility is now produced by wind farms.

Sberbank signed an agreement with the international non-commercial organization I-REC Standard Foundation on joining the international energy tracking standard I-REC as a market participant. The agreement will enable Sber to provide support and create a fundamentally new and innovative market for Renewable Energy Certificates in Russia. Goal Number Seven, an association of energy market participants, is the organization issuing certificates of compliance with I-REC standards in Russia.

The I-REC certificates enable the renewable energy generation companies to sell the green attributes of their electricity, together with physical supplies or separately. Each certificate corresponds to 1 MWh of electricity generated by renewable energy sources. Sberbank customers will be able to buy and redeem such certificates to meet the requirements of key international sustainability standards such as GHGP, CDP, and RE100. These tools are used to enhance the transparency of renewable energy consumption.

Sber will develop jointly with I-REC Standard Foundation a marketplace to trade in I-REC certificates in Russia, which will use the bank’s blockchain platform for transactions and the circulation of certificates.

Sber supports the development of green energy at the national level. To this end, the Group invests heavily in the construction of solar and wind farms¹.

In December 2020, the first green energy transaction in Russia was completed on Sber’s blockchain platform for Renewable Energy Certificates, REC. The key partners of the bank were the parties to the transaction – State Company Solar Systems and KuybyshevAzot. The planned volume of the transaction equals 4,998 certificates.

A new market for green technologies is starting to develop in Russia, and the solution developed by Sber Blockchain Laboratory will become a convenient platform for all participants. Green certificates confirm that the energy originates from renewable sources. Generating companies will be able to sell such energy together with or separately from physical supplies. Trade companies will be able to buy and redeem such certificates to comply with key international sustainability standards. This instrument will increase the transparency of renewable agency consumption.

¹ “Responsible investment strategies for private investors”, p.300

Appendices

312	Participation of Sberbank Group companies in Associations
314	Procedure for Identifying Material Topics
316	SASB Content Index
317	GRI Content Index
320	Glossary



PARTICIPATION OF SBERBANK GROUP COMPANIES IN ASSOCIATIONS

The Group companies participate in various associations and Russian and international initiatives aimed at developing the business environment and creating the conditions for dialogue between significant market participants.

NAME	ASSOCIATION NAME
Sberbank	<ul style="list-style-type: none"> • U.S.-Russia Business Council (USRBC) • Russian-American Business Cooperation Council Non-profit Association of Legal Entities (RABCC) • Association for Financial Literacy Development (AFLD) • Non-Profit Partnership, Commonwealth of Brand Manufacturers (NP Rusbrand) • 5. Autonomous Nonprofit Organization “School 21” • Association of Student Olympiad Sponsors Ya Professional (I am a Professional) (Ya Professional Association) • Sberbank Corporate University, Autonomous Nonprofit Organization of Additional Professional Education • Autonomous Nonprofit Organization Skolkovo Institute of Science and Technology (Skoltech) • International Capital Market Association (ICMA) • International Swaps and Derivatives Association, (ISDA) • National Association of Securities Market Participants (NAUFOR) • The National Finance Association, a self-regulatory organization • Financial Technology Development Association (FinTech Association) • Association of Operators and Developers of Unmanned Aircraft Systems AERONET (AERONET Association) • National Association for Technology Transfer (NATT) • Linux Foundation (incl. the Hyperledger project) • Enterprise Ethereum Alliance Inc, EEA, Non-Profit Alliance • “Digital Economy” Autonomous Nonprofit Organization • National Association for International Information Security (NAIIS) • Cybersecurity Center of World Economic Forum (C4C) • 21World Economic Forum (WEF) • National Association of Robotics Market Participants (NARMP) • Association of Entities in Cash Circulation, Collection, and Transportation of Valuables (NDO Association) • Association of Big Data Market Participants (Big Data Association) • AI Alliance Association • “AI Institute” Autonomous Nonprofit Organization

NAME	ASSOCIATION NAME
Sberbank (continued)	<ul style="list-style-type: none"> • International Monetary Conference (IMC) • MasterCard Members Association (MMA) • DER Think Tank Union • WTO Expertise Center ANO • Association of Banks of Russia (Russia Association) • Russian National Association of SWIFT Members (ROSSWIFT) • Russian-German Chamber of Commerce (CoC) • Russian-Chinese Business Council Noncommercial Partnership (RCBC NP) • Contribution to the Future Charity Foundation
Subsidiary Bank of Sberbank JSC (Republic of Kazakhstan)	<ul style="list-style-type: none"> • Foreign Investors’ Council • Astana Finance Days at Astana International Financial Centre • Financial Institutions’ Association of Kazakhstan
BPS-Sberbank JSC, (Republic of Belarus)	<ul style="list-style-type: none"> • Association of Securities Market Participants (ASMP)
Sberbank JSC (Ukraine)	<ul style="list-style-type: none"> • Independent Association of Ukrainian Banks (IAUB) • Ukrainian Interbank Association of EMA Payment System Members • SWIFT National Member and User Group for Ukraine Association (UKRSWIFT)
Cetelem Bank LLC	<ul style="list-style-type: none"> • Non-Commercial Partnership National Council of Financial Market

PARTICIPATION OF SBERBANK GROUP COMPANIES IN ASSOCIATIONS

NAME	ASSOCIATION NAME
ActiveBusinessConsult LLC	<ul style="list-style-type: none"> National Association of Professional Collection Agencies Self-Regulatory Organisation (NAPCA SRO) NAPCA SRO Council NAPCA SRO Control Committee NAPCA SRO PR Committee National Association of Contact Centers Expert Group for Implementing the “Regulatory Guillotine” Mechanism in Debt Collection Association of Artificial Intelligence Labs
Private Pension Fund (PPF)	<ul style="list-style-type: none"> National Association of Non-State Pension Funds SRO
Sberbank Leasing JSC (SberLeasing)	<ul style="list-style-type: none"> United Leasing Association (ULA), Moscow Chamber of Commerce and Industry (MCCI) National Leasing Union of Leasing Companies (NLU), LEASING UNION NON-PROFIT PARTNERSHIP Russian Association of Managers (RAM) National Natural Gas Vehicle Association (NGA) Bid Data Association (BDA) Association «Promzheldortrans» SRO
SberFactoring LLC	<ul style="list-style-type: none"> Association of Factoring Companies Factors Chain International Association Big Data Association
Sberbank AST CJSC (SberA)	<ul style="list-style-type: none"> ROST Association Electronic Market Professionals Association of Electronic Trading Platform Operators «Expert Methodological Centre for the Assessment and Certification of Qualifications in Finance and Banking Autonomous Non-profit Organization of Further Vocational Training
SberLogistics LLC	<ul style="list-style-type: none"> Association of Big Data Market Participants

NAME	ASSOCIATION NAME
Intercomp LLC (SberSolutions)	<ul style="list-style-type: none"> St Petersburg International Business Association (SPIBA) SSC Club DT-Consulting Group (Association (Sponsorship) and membership with the Russia/CIS Business Group) CCI France Russie Corporate Counsel Association ‘How to ‘ HR Club
Speech Technology Center LLC	<ul style="list-style-type: none"> National Association of Contact Centers (NACC) RUSSOFT Non-profit Partnership Neuronet NPO Domestic Soft Association of Software Product Developers Russian Export Center JSC OSM Association STROYPARTNER Association of cadastral engineers
Evotor LLC	<ul style="list-style-type: none"> Electronics Developers and Manufacturers Association (EDMA) Russian Association of Cash Register Producers (RACRP) Andrey Romanenko, CEO of Evotor, heads Member of the working group on the implementation of the “regulatory guillotine” mechanism in the sphere of cash register equipment under the Government of the Russian Federation Andrey Romanenko, CEO of Evotor, is a member of the general council of the Delovaya Rossiya (Business Russia) public organization and heads the committee for the automation of traceability solutions for goods and funds
YooMoney LLC	<ul style="list-style-type: none"> Electronic Money Association

PROCEDURE FOR IDENTIFYING MATERIAL TOPICS

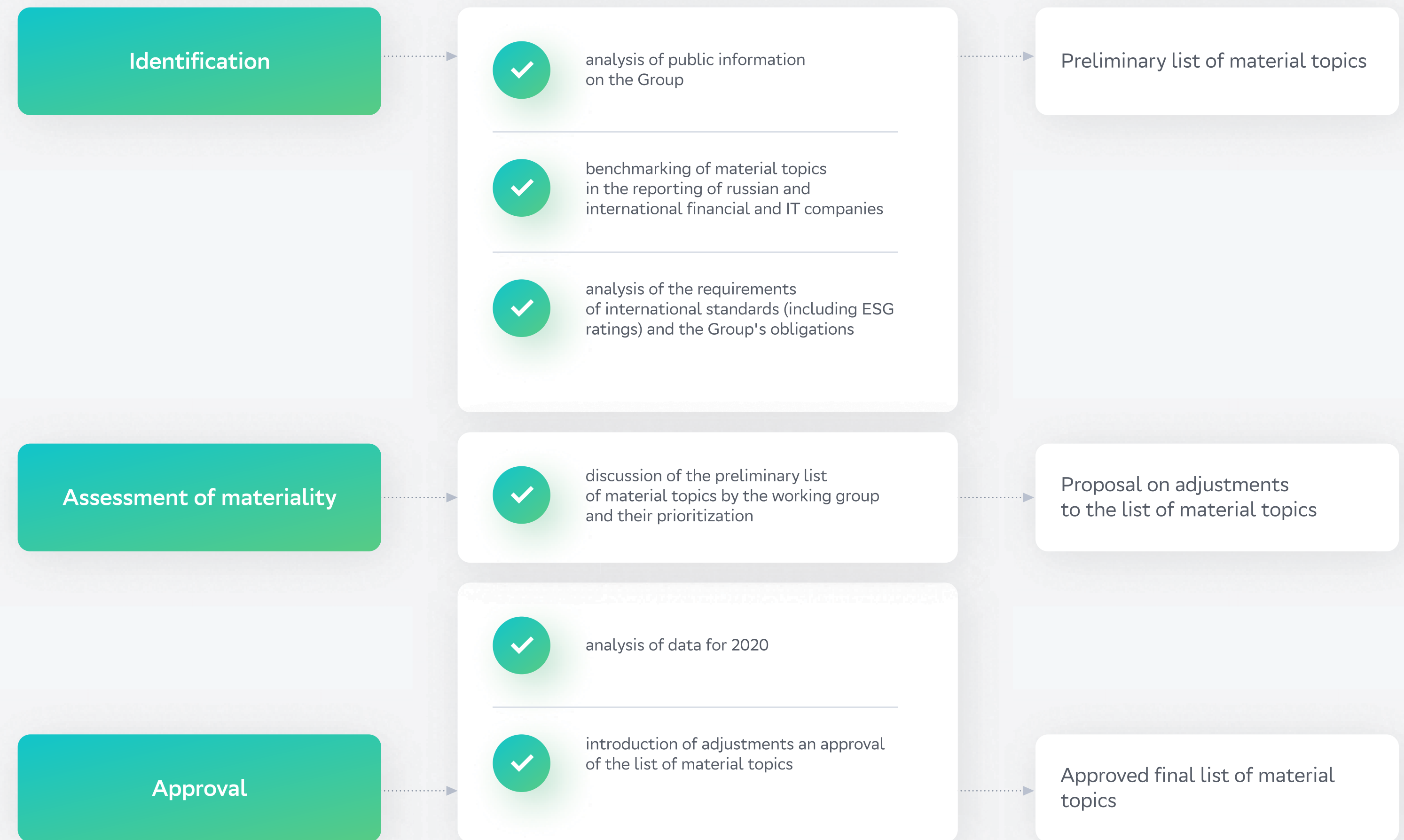
To determine the contents and key topics of the Report, we analyzed the main areas of ESG activity of Sber, and on this basis compiled a list of material topics which was subsequently discussed.

As part of the preparation of the 2020 Report, Sber analyzed its own key areas of sustainable development and ESG activities, the approaches of other companies in the industry, international standards and obligations to stakeholders. The identified topics were then discussed with stakeholders, adjusted, and their priority was updated. Finally, they were grouped into two categories: material and significant.

Material topics reflect the company's key impacts on the economy, environment and society, as well as having significance for stakeholders, influencing their assessments and decisions. These are Sber's sustainability and ESG priorities.

Significant topics detail the material topics and enable their key aspects to be disclosed.

Procedure for determining the material topics of this Report



List of the material topics of the Report that must be disclosed

MATERIAL TOPICS	CORRESPONDING MATERIAL TOPICS OF THE GRI STANDARDS	CORRESPONDING UN SUSTAINABLE DEVELOPMENT GOALS
Environmental efficiency	GRI 103: Management approach GRI 301: Materials GRI 302: Energy GRI 306: Effluents and Waste	12. Responsible Consumption and Production 15. Life on Land  
Climate action	GRI 103: Management approach GRI 305: Emissions	13. Climate Action 
Green financing	GRI 103: Management approach	7. Affordable and Clean Energy 11. Sustainable Cities and Communities  
Sustainable supply chain	GRI 103: Management approach GRI 204: Procurement Practices	10. Industry, Innovation and Infrastructure 
Communications with clients and financial inclusion	GRI 103: Management approach	1. No Poverty 10. Reduced Inequalities  
Staff development (training and health of employees)	GRI 103: Management approach GRI 403: Occupational Health and Safety GRI 404: Training and Education GRI 405: Diversity and Equal Opportunity	3. Good Health and Well-Health 4. Quality Education 8. Decent Work and Economic Growth   
Management practices	GRI 103: Management approach GRI 205: Anti-Corruption	16. Peace, Justice and Strong Institutions 
Innovative development	GRI 103: Management approach	9. Industry, Innovation and Infrastructure 
Data security	GRI 103: Management approach	7. Affordable and Clean Energy 11. Sustainable Cities and Communities  

SASB CONTENT INDEX

INDICATOR		REFERENCE / COMMENTS	P.
DATA SECURITY			
FN-CB-230a.1.	Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected	Cybersecurity, data protection and fraud prevention	223
FN-CB-230a.2.	Description of approach to identifying and addressing data security risks	Cybersecurity, data protection and fraud prevention	257-259
FINANCIAL INCLUSION & CAPACITY BUILDING			
FN-CB-240a.1.	Number and amount of loans outstanding qualified to programs designed to promote small business and community development	Development of footprint regions and assistance to local communities	57-58
FINANCIAL INCLUSION & CAPACITY BUILDING			
FN-CB-410a.2.	Description of approach to incorporation of environmental, social, and governance (ESG) factors in credit analysis	Corporate governance	302
BUSINESS ETHICS			
FN-CB-510a.2.	Description of whistleblower policies and procedures	Compliance	134
SYSTEMIC RISK MANAGEMENT			
FN-CB-550a.1.	Global Systemically Important Bank (G-SIB) score, by category	Risks report	152, partial disclosure

GRI CONTENT INDEX

	DISCLOSURE	REFERENCE / COMMENTS	P.
101	FOUNDATION		
102	GENERAL DISCLOSURES		
	ORGANIZATIONAL PROFILE		
102-1	Name of the organization	About the Report	1
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> Sber – more than bank Key financial results Wealth management Corporate clients 	7, 10, 18, 19
102-3	Location of headquarters	https://www.sberbank.com/ru/news-and-media/contacts	
102-4	Location of operations	Sber – more than bank	7
102-5	Ownership and legal form	About the Report	1
102-6	Markets served	Market review	29
102-7	Scale of the organization	Staff structure	264
102-8	Information on employees and other workers	Staff structure	264
102-9	Supply chain	Integrated business model B2C2B2G	12
102-10	Significant changes to the organization and its supply chain	No material changes in the company or its supply chain	
102-11	Precautionary Principle or approach	Risks report	162
102-12	External initiatives	Sber contribution to achieving the UN Sustainable Development Goals	232-234, 236
102-13	Membership of association	<ul style="list-style-type: none"> Membership in external initiatives and participation in ESG events in 2020 Sber’s membership in organizations and associations 	236, 312-313

	DISCLOSURE	REFERENCE / COMMENTS	P.
	STRATEGY		
102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> Address of the chairman of the Supervisory Board Address of the President, Chairman of of the Executive Board 	23-25
	ETHICS AND INTEGRITY		
102-16	Values, principles, standards, and norms of behavior	Mission and values	31
	GOVERNANCE		
102-18	Governance structure	Corporate governance system	96
102-22	Composition of the highest governance body and its committees	Committees of the supervisory board	102
102-23	Chair of the highest governance body	System of control and audit	103
102-24	Nominating and selecting the highest governance body	Corporate governance system	112
102-25	Conflicts of interest	System of control and audit	107
102-27	Collective knowledge of highest governance body	Corporate governance system	105
102-28	Evaluating the highest governance body’s performance	Corporate governance system	106
	STAKEHOLDER ENGAGEMENT		
102-40	List of stakeholder groups	Stakeholder relations	235
102-41	Collective bargaining agreements	Staff structure	264
102-42	Identifying and selecting stakeholders	Stakeholder relations	235
102-43	Approach to stakeholder engagement	Stakeholder relations	235
102-44	Key topics and concerns raised	Stakeholder relations	235
102-45	Entities included in the consolidated financial statements	About the Report	1

GRI CONTENT INDEX

	DISCLOSURE	REFERENCE / COMMENTS	P.
102-46	Defining report content and topic Boundaries	Process used to determine material topics	314
102-47	List of material topics	Process used to determine material topics	315
102-48	Restatements of information	About the Report	1
102-49	Changes in reporting	About the Report	1
102-50	Reporting period	About the Report	1
102-51	Date of most recent report	24.04.2020	
102-52	Reporting cycle	About the Report	1
102-53	Contact point for questions regarding the report	http://www.sberbank.com/ru/investor-relations/contactsforinvestors	
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	1
102-55	GRI content index	GRI content index	317-319
102-56	External assurance	No third-party certification of non-financial information is made	
MATERIAL TOPICS			
GRI-203	INDIRECT ECONOMIC IMPACTS		
103-1	Explanation of the material topic and its Boundary	Development of footprint regions and assistance to local communities, Charitable and sponsorship projects	289
203-1	Infrastructure investments and services supported	Development of footprint regions and assistance to local communities, Charitable and sponsorship projects	289
GRI-204	PROCUREMENT PRACTICES		
103-1	Explanation of the material topic and its Boundary	Procurement and Supplier Relations	290

	DISCLOSURE	REFERENCE / COMMENTS	P.
204-1	Proportion of spending on local suppliers	Procurement and Supplier Relations	290
GRI-205	ANTI-CORRUPTION		
103-1	Explanation of the material topic and its Boundary	Compliance	132, 134
205-3	Confirmed incidents of corruption and actions taken	Compliance	134
GRI-301	MATERIALS		
103-1	Explanation of the material topic and its Boundary	Effective consumption of resources and use of materials	304
301-1	Materials used by weight or volume	Effective consumption of resources and use of materials	304
GRI-302	ENERGY		
103-1	Explanation of the material topic and its Boundary	Increasing energy efficiency	307
302-1	Energy consumption within the organization	Increasing energy efficiency	308
GRI-303	WATER (2018)		
103-1	Explanation of the material topic and its Boundary	Increasing energy efficiency	307
303-2	Management of water discharge-related impacts	At Sberbank, wastewater is discharged in accordance with the requirements of the RF Government dated May 22, 2020 No. 728 "On approval of the rules for monitoring the composition and properties of wastewater and on amendments and invalidation of certain acts of the Government of the Russian Federation."	
303-3	Water withdrawal	Increasing energy efficiency	309
303-4	Water discharge	Increasing energy efficiency	309
303-5	Water consumption	Increasing energy efficiency	309

GRI CONTENT INDEX

	DISCLOSURE	REFERENCE / COMMENTS	P.
GRI-306	WASTE (2020)		
103-1	Explanation of the material topic and its Boundary	Responsible waste management	305
306-1	Waste generation and significant waste-related impacts	Responsible waste management	305
306-2	Management of significant waste-related impacts	Responsible waste management	305-306
306-3	Waste generated	Responsible waste management	305
306-4	Waste diverted from disposal	Responsible waste management	306
GRI-307	ENVIRONMENTAL COMPLIANCE		
103-1	Explanation of the material topic and its Boundary	Effective consumption of resources and use of materials	304
307-1	Non-compliance with environmental laws and regulations	Effective consumption of resources and use of materials	304
GRI-401	EMPLOYMENT		
103-1	Explanation of the material topic and its Boundary	Staff structure	264
401-1	New employee hires and employee turnover	Staff structure	264
GRI-403	OCCUPATIONAL HEALTH AND SAFETY (2018)		
103-1	Explanation of the material topic and its Boundary	Occupational health and safety	283
403-1	Occupational health and safety management system	Occupational health and safety	283
403-3	Occupational health services	Occupational health and safety	283
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational health and safety	283

	DISCLOSURE	REFERENCE / COMMENTS	P.
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational health and safety	283
403-9	Work-related injuries	Occupational health and safety	224, 283
403-10	Work-related ill health	Occupational health and safety	283
GRI-404	TRAINING AND EDUCATION		
103-1	Explanation of the material topic and its Boundary	Effective teams	269
404-1	Average hours of training per year per employee	Effective teams	269-271
GRI-405	DIVERSITY AND EQUAL OPPORTUNITY		
103-1	Explanation of the material topic and its Boundary	Staff structure	100
405-1	Diversity and Equal Opportunity	Staff structure	100
ESSENTIAL TOPICS THAT DO NOT COMPLY WITH THE GRI STANDARDS			
RESPONSIBLE AND GREEN FINANCING			
103-1	Explanation of the material topic and its Boundary	Responsible financing	237
INFORMATIONAL SECURITY AND DATA PROTECTION			
103-1	Explanation of the material topic and its Boundary	Cybersecurity, data protection and fraud prevention	257-258
INTERACTION WITH CLIENTS AND FINANCIAL INCLUSION			
103-1	Explanation of the material topic and its Boundary	Improving financial literacy	243-246
INNOVATIVE DEVELOPMENT			
103-1	Explanation of the material topic and its Boundary	Technological leadership	81-86

GLOSSARY

Teal organizations

Companies where management is organized without a rigid hierarchy or managers of the classic type: employees are free to structure business processes on their own.

Blockchain

A distributed data base that contains information on all transactions executed by the system participants. The information is stored in the form of blockchain.

Employee engagement

An employee's emotional and intellectual state in which they strive to perform their work in the best possible manner and are willing to contribute to their company's development and success.

United Nations Global Compact

A global UN initiative for business in the area of corporate social responsibility and sustainable development. Inclusion of the Compact's principles in commercial or business strategies and public acknowledgement of commitment to it serve as recognized indicators of responsible corporate practices and a bona-fide business reputation, as well as important elements of long-term business sustainability.

Dividend

A portion of income earned by a business that is distributed among its shareholders.

Green technology

Technologies, manufacturing processes and supply chains that are environmentally friendly or less harmful compared to conventional manufacturing techniques.

Compliance control

Internal control over compliance of a credit institution's financial market activities with financial market laws. It is part of the internal control system of a credit institution.

Corporate social responsibility

A set of principles and obligations the bank is guided by in the course of its activities with regard to:

- managing relations with stakeholders;
- assessing and managing the impact on the national economy, social sphere and the environment.

Community

One or more individuals or legal entities and their associations with an interest in the area where a service is provided.

Cloud technology

A technology for securely keeping data arrays in Internet networks.

Option

The right to sell or buy a fixed amount of a commodity, currency or security on a certain date at the option exercise price.

Responsible financing

A policy of a financial institution that takes into account ESG requirements and risks when making decisions on financing projects and companies, and provides for monitoring of compliance with those requirements.

Stakeholders

Private or corporate customers or groups of persons that affect the bank and its activities and(or) are affected by the bank, such as its customers, employees, shareholders, governmental authorities, public organizations, etc.

Sustainable development

A global concept for the development of individual nations and the entire humankind with a view to preserving the planet's resources for the benefit of future generations. The UN Sustainable Development Goals adopted in 2015 have laid out a strategy for resolving global environmental, economic and social issues.

Hackathon

A developer forum where specialists in various software development areas (programmers, designers and managers) solve a problem together against time.

Ecosystem

A network of companies being created around a platform and using its services to generate best offers for customers and provide access to them in order to satisfy all types of customer needs, for both entities and individuals.

Bootcamp

A technical education program teaching programming aspects that are most in demand in today's market. Students gain experience working on real-life projects and learning from people who are successful in the industry and have a wealth of practical skills.

Data Science

A cross-discipline set of knowledge on how to analyze digital data and find optimal data-driven solutions. Data Scientist: a practicing researcher, an expert in this field.

ESG (environmental, social and governance)

A management approach that strives to include environmental, social and governance factors into the decision-making process for better risk management and sustainable development of a company.

ESG

A set of sustainable development topics to be disclosed at the corporate level.

Sbergile, Agile

Flexible management approaches used at Sber.

Text recognition

A machine text recognition technology.

ABBREVIATIONS

<p>AA1000 a series of AccountAbility standards designed to improve the quality of non-financial statements and increase the transparency, accountability and sustainability of businesses</p>	<p>AS automated system</p>	<p>CSR corporate social responsibility</p>	<p>DFI derivative financial instrument</p>	<p>GR government relations</p>	<p>IRCRBB Interest rate and currency risks of the banking book</p>
<p>ACRA Analytical Credit Rating Agency</p>	<p>B2C2B2G an integrated business model of B2C (business-to-consumer) to B2G (business-to-government)</p>	<p>CSRBB Market credit spread risk of securities of the banking book</p>	<p>ESG sustainable development factors: environment, social, governance</p>	<p>GRI Global Reporting Initiative (sustainability)</p>	<p>ISO 19600 Compliance Management Systems Guidelines international standard</p>
<p>ADR American Depositary Receipt</p>	<p>Bank of Russia Central Bank of the Russian Federation</p>	<p>CSU centrally subordinated unit</p>	<p>ESM Ministry for Civil Defense, Emergency Situations and Elimination of Consequences of Natural Disasters of the Russian Federation</p>	<p>GTO statutory fitness benchmarks in the Russian Federation</p>	<p>ISO 26000 Guidance on Social Responsibility international standard</p>
<p>AG Joint Stock Company (in German: Aktiengesellschaft)</p>	<p>CHO Central Head Office</p>	<p>CX customer experience (using digital products)</p>	<p>EU European Union</p>	<p>HR human resources</p>	<p>ISO 37001 Anti-Bribery Management Systems – Requirements international standard</p>
<p>AGM Annual General Shareholders’ Meeting</p>	<p>CIR (operating) cost-to-(net operating) income ratio</p>	<p>D&O directors and officers’ liability insurance</p>	<p>FT foreign trade</p>	<p>IC insurance company</p>	<p>ISU internal structural units</p>
<p>AI Artificial Intelligence</p>	<p>CJSC Closed Joint-Stock Company</p>	<p>DAU daily active users in digital channels</p>	<p>FTS Federal Tax Service</p>	<p>ID identification document</p>	<p>IT information technology</p>
<p>AI Artificial Intelligence</p>	<p>COR cost of risk</p>	<p>DAU/MAU a ratio of daily active users to monthly active users in digital channels</p>	<p>G20 – Group of Twenty</p>	<p>IE individual entrepreneur</p>	<p>IT information technology</p>
<p>API application programming interface</p>	<p>CRM Customer Relationship Management system</p>	<p>DC data center</p>	<p>GC group of companies</p>	<p>IFRS International Financial Reporting Standards</p>	<p>IVR interactive voice response</p>
<p>AR augmented reality</p>	<p>CSI customer satisfaction index</p>	<p>DDoS (distributed denial-of-service) attack a way to block a website by sending a lot of requests exceeding the network throughput</p>	<p>GDP Gross Domestic Product</p>	<p>IMF – International Monetary Fund</p>	<p>JSC Joint Stock Company</p>
			<p>GDR Global Depositary Receipt</p>	<p>IRB Internal Ratings-Based Approach</p>	

ABBREVIATIONS

LE legal entity	MPI Mandatory Pension Insurance	OJSC Open Joint-Stock Company	RAS Russian Academy of Sciences	SB subsidiary bank	SW software
LEED Leadership in Energy and Environmental Design	MSW municipal solid waste	P2P a peer-to-peer, decentralized computer network	RAS Russian Accounting Standards	SB Supervisory Board	UAE United Arab Emirates
LGD loss given default	NFC near-field communication	PCI DSS Payment Card Industry (PCI) Data Security Standard	RB regional bank	SBE Sberbank Europe	UN United Nations
LLC Limited Liability Company	NPO/NBCI non-profit organization/non-banking credit institution	PI private individual	REPO purchase of a security subject to an obligation of its reverse sale after a set period of time at a price defined in advance in the repo agreement	SBOL Sberbank Online	Utilities housing and utility services
MAU monthly active users in digital channels	NPS Net Promoter Score, a metric indicating our customers' readiness to recommend SberBank to their friends and acquaintances	PJSC Public Joint-Stock Company	ROA return on assets	SMB small and micro business	UX/CX user experience/customer experience of using digital products
MBA Master of Business Administration	NPV net present value	POS point of sale	ROE return on equity	SME small and medium enterprises	VaR value at risk
MF mutual fund	NSPP Non-State Pension Plans	PPF Private Pension Fund	RPA robotic (business) process automation technology using software robots or artificial intelligence	SMS Smart Management System	VHI voluntary health insurance
MFC multi-functional center for government and municipal services	OECD Organization for Economic Cooperation and Development	PS payment system	SAC subsidiaries and affiliates	SOA Shareholder Online Account	VR virtual reality
MIA of Russia Ministry of Interior Affairs of the Russian Federation	OFXP open foreign exchange position	QR two-dimensional quick response code	SASB Sustainability Accounting Standards Board	SOC security operation center	
MM mass media		RA traffic accident		SST self-service terminal	