



SBERBANK

Sberbank Group's IFRS Results For 6 Months 2009



Highlights of Financial Performance for 6 months 2009 (1)

- This presentation is based on IFRS condensed interim consolidated financial statements of Sberbank (hereinafter the «Bank») and its subsidiaries (together referred to as the «Group»). The major subsidiaries of the Group are ZAO Russian-German Leasing Company, LLC Sberbank Capital, DB AO Sberbank (Kazakhstan) and PJSC Sberbank of Russia (Ukraine)
- The Group's net profit for 1H09 totaled RUB6.0 bn compared to RUB67.0 bn for 1H08
- The Group's operating income for 1H09 reached RUB308.3 bn, 44.5% higher than 1H08 results
- As in the previous periods, the main drivers for this growth were expanding operations with clients including:
 - Increase of loan portfolio by 3.9% in 1H09
 - Rise of interest margin by 1.0 pp during 1H09 compared to 1H08
- The Group's operating expenses totaled RUB109.7 bn for 1H09, a 1.0% increase against 1H08 figures. At the same time staff costs decreased by 4.9%. The cost/income ratio went down to 35.6% level as a result
- Decline of net profit in 1H09 was primarily due to increase in provisioning for loan impairment to the amount of RUB191.5 bn, which is 11 times higher than in 1H08



Highlights of Financial Performance for 6 months 2009 (2)

ITEM	Six months ended 30 June 2009 (RUB bn)	Six months ended 30 June 2008 (RUB bn)	Change
Operating income before provision for loan impairment	308.3	213.3	44.5%
Administrative and other operating expenses	-109.7	-108.6	1.0%
Provisioning for loan impairment	-191.5	-17.3	11 times
Net profit	6.0	67.0	-91.0%
Earnings per ordinary share, RUB	0.3	3.1	-90.3%

ITEM	Three months ended 30 June 2009 (RUB bn)	Three months ended 30 June 2008 (RUB bn)	Change
Operating income before provision for loan impairment	164.1	109.5	49.9%
Administrative and other operating expenses	-56.6	-53.0	6.8%
Provisioning for loan impairment	-100.8	-9.8	10 times
Net profit	5.4	35.9	-85.0%
Earnings per ordinary share, RUB	0.2	1.6	-87.5%



Highlights of Financial Performance for 6 months 2009 (3)

ITEM	30.06.2009 (RUB bn)	31.12.2008 (RUB bn)	Change
Assets	6,581.1	6,736.5	-2.3%
Loans to customers (net)	5,099.4	5,077.9	0.4%
Due to customers	4,842.3	4,795.2	1.0%
Equity	750.1	750.2	-0.01%
Tier I capital adequacy ratio (Basel I)	11.7%	12.1%	-0.4 pp
Total capital adequacy ratio (Basel I)	18.4%	18.9%	-0.5 pp

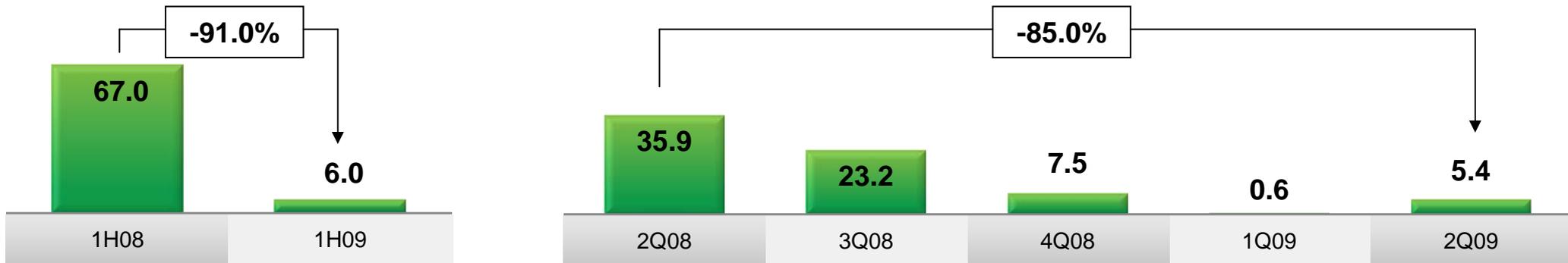
ITEM	30.06.2009 (RUB bn)	31.12.2008 (RUB bn)	Change
Return on equity	1.6%	20.2%	-18.6 pp
Return on assets	0.2%	2.5%	-2.3 pp
Cost to income ratio	35.6%	50.9%	-15.3 pp
Interest margin*	7.8%	6.8%	1.0 pp
Provisions to Loans to Customers (Gross)	7.1%	2.7%	4.4 pp

* Net interest income to average earning assets.

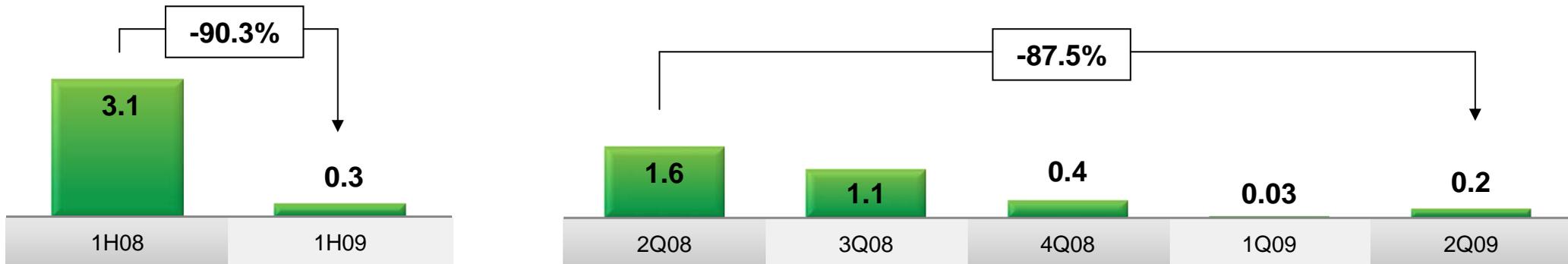


Key Financial Indicators (1)

Net Profit, RUB bn



Earnings per Ordinary Share, RUB

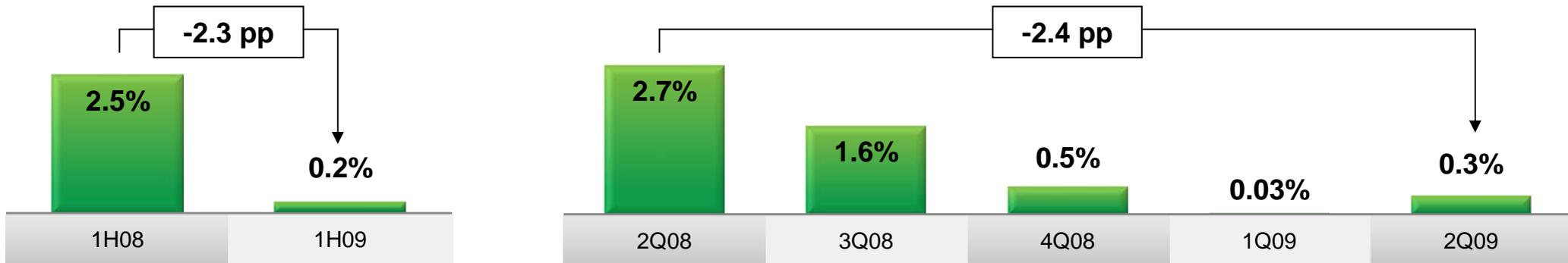


- Net profit decline in 1H09 was mostly influenced by a considerable increase in provisioning for loan impairment compared to previous periods
- The ratio of provision for loan impairment to total loans as at 30.06.09 reached 7.1% which is 3.3 pp higher than as at 31.12.08

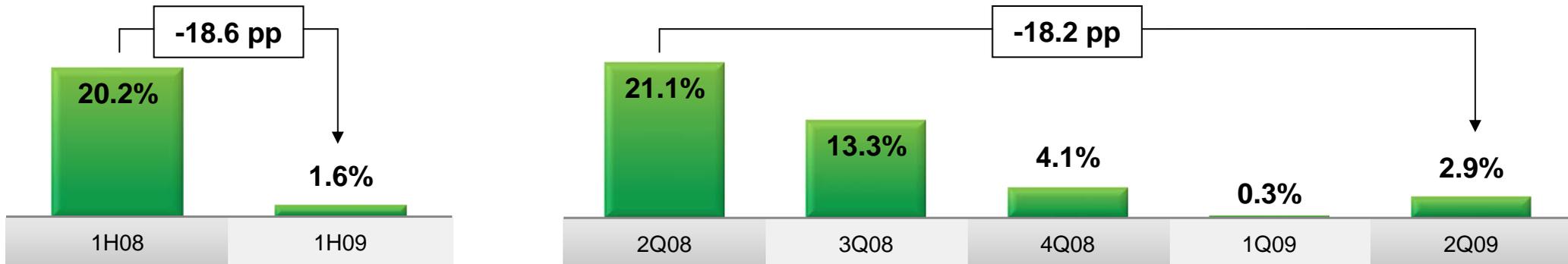


Key Financial Indicators (2)

Return on Assets (ROA), %



Return on Equity (ROE), %



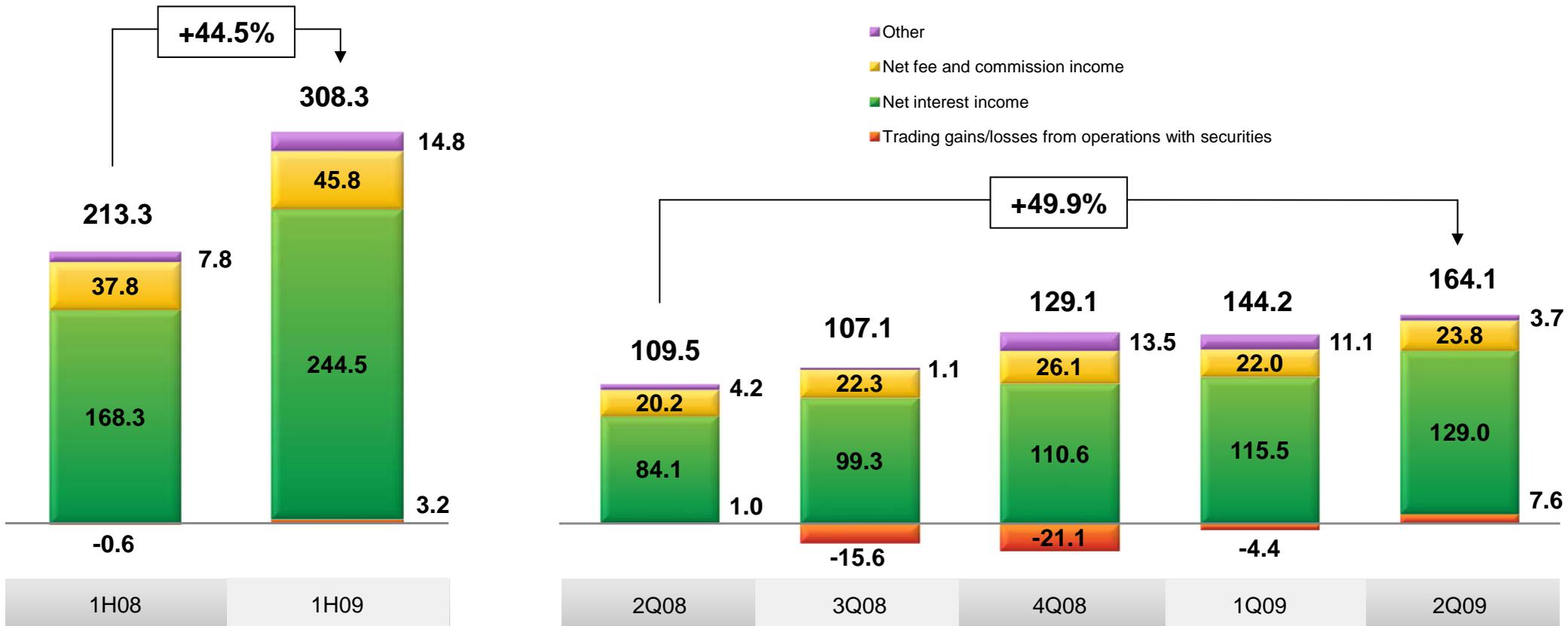
- The Group's ROE and ROA decreased in 1H09 on the back of lower net profit



Operating Income Before Provisioning for Loan Impairment

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Operating Income Before Provisioning for Loan Impairment, RUB bn

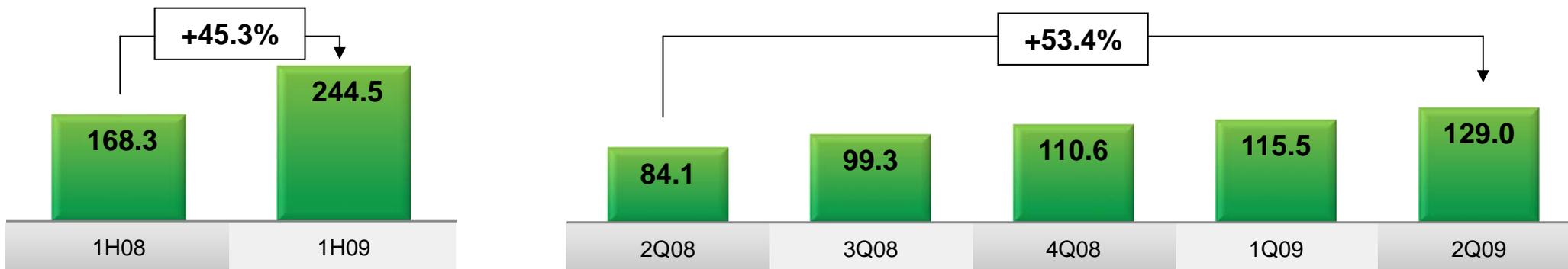


- Operating income before provisioning for loan impairment increased by 44.5% in 1H09 against the 1H08 results. The increase was primarily due to rise in interest income from lending operations
- The main component of other operating income of 14.8 bn earned by the Group in 1H09 was gains from operations with foreign exchange totaling RUB9.3 bn

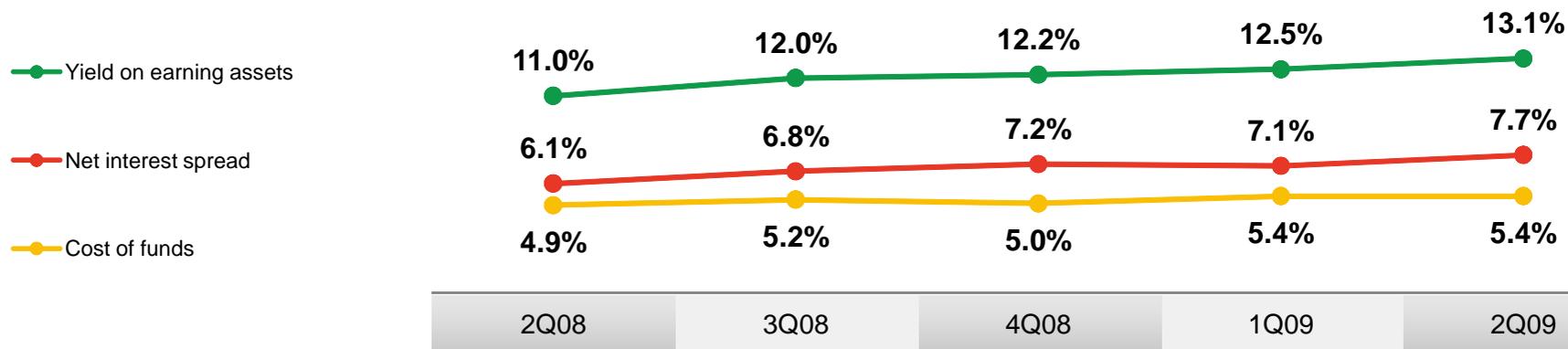


Net interest income

Net Interest Income, RUB bn



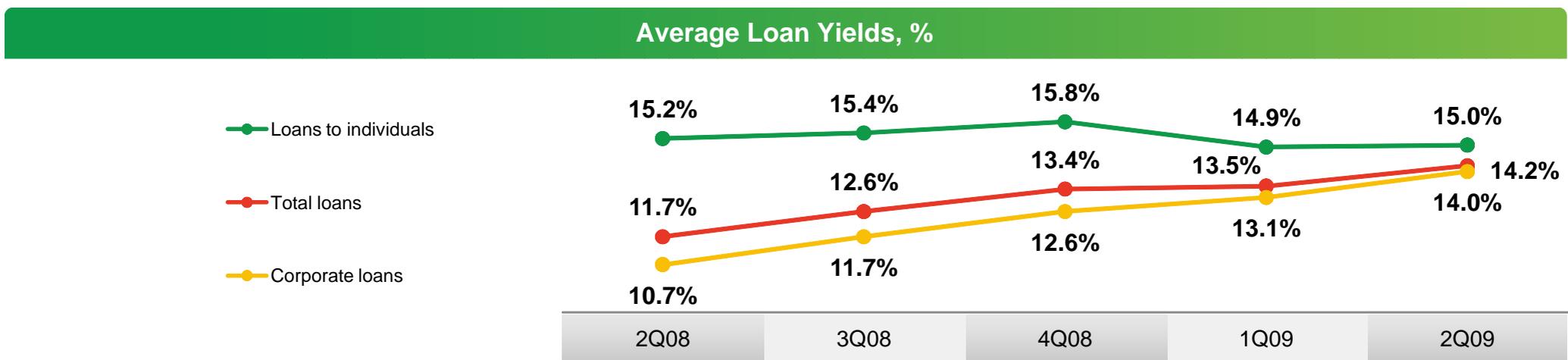
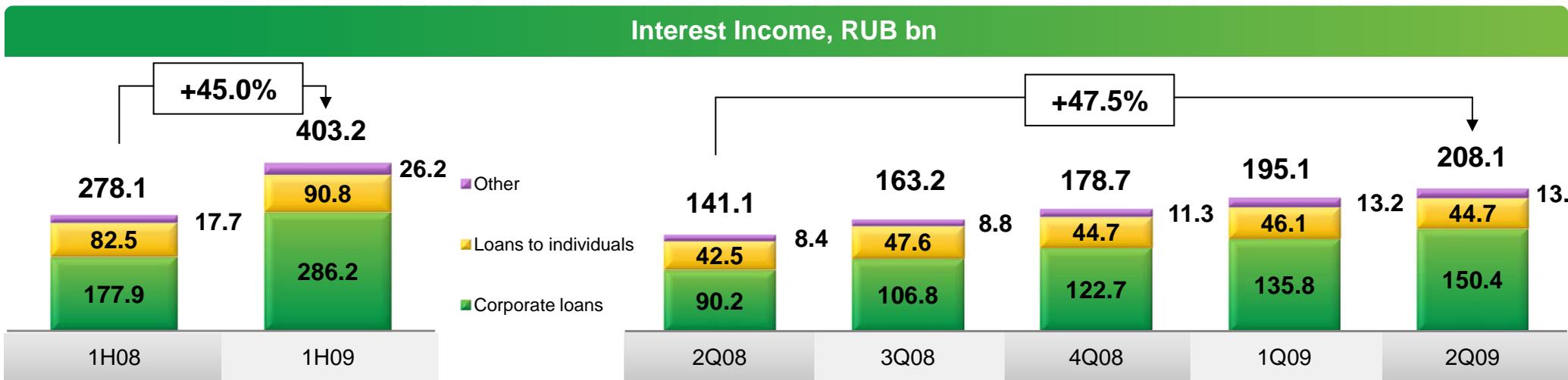
Net Interest Spread, %



- Net interest income increased by 45.3% in 1H09 compared to 1H08
- The main driver of net interest income growth in the second quarter 09 was interest rates rise
- The spread between the yield on earning assets and the cost of funds increased by 0.5 pp during 1H09 from 7.2% for 4Q08 to 7.7% for 2Q09



Interest Income

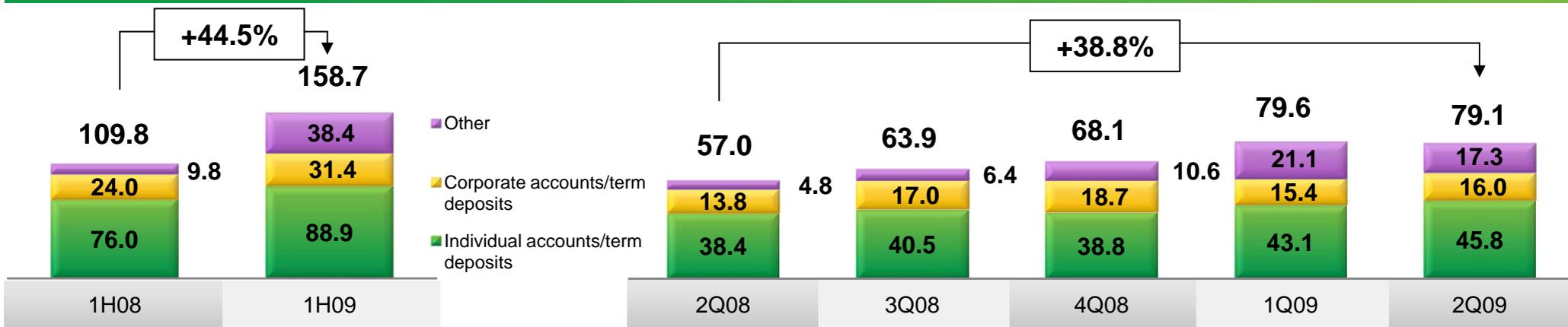


- The Group's interest income in 1H09 grew by 45.0% compared to 1H08
- The yield on retail loan portfolio decreased in 1H09 due to structural changes in the portfolio: the proportion of consumer loans decreased (as a result of their shorter maturities) while the proportion of lower yielding mortgage loans increased

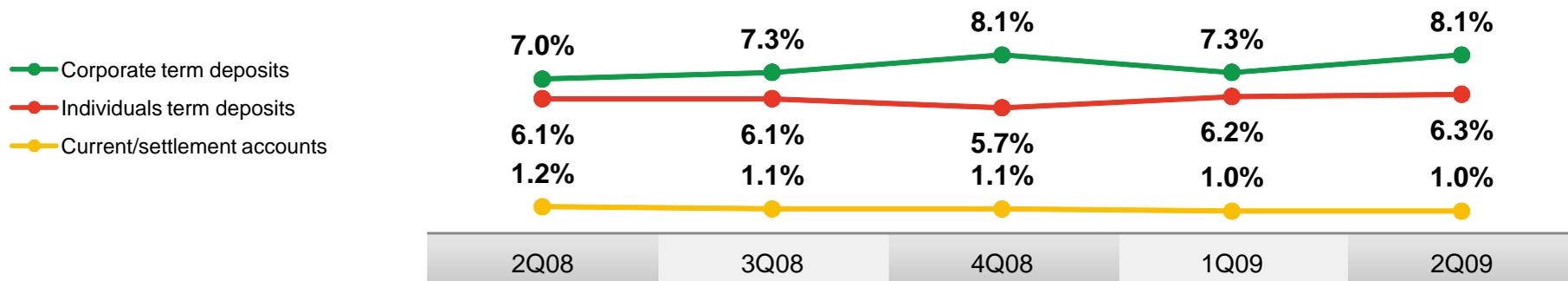


Interest Expense

Interest Expense, RUB bn



Average Cost of Funds, %

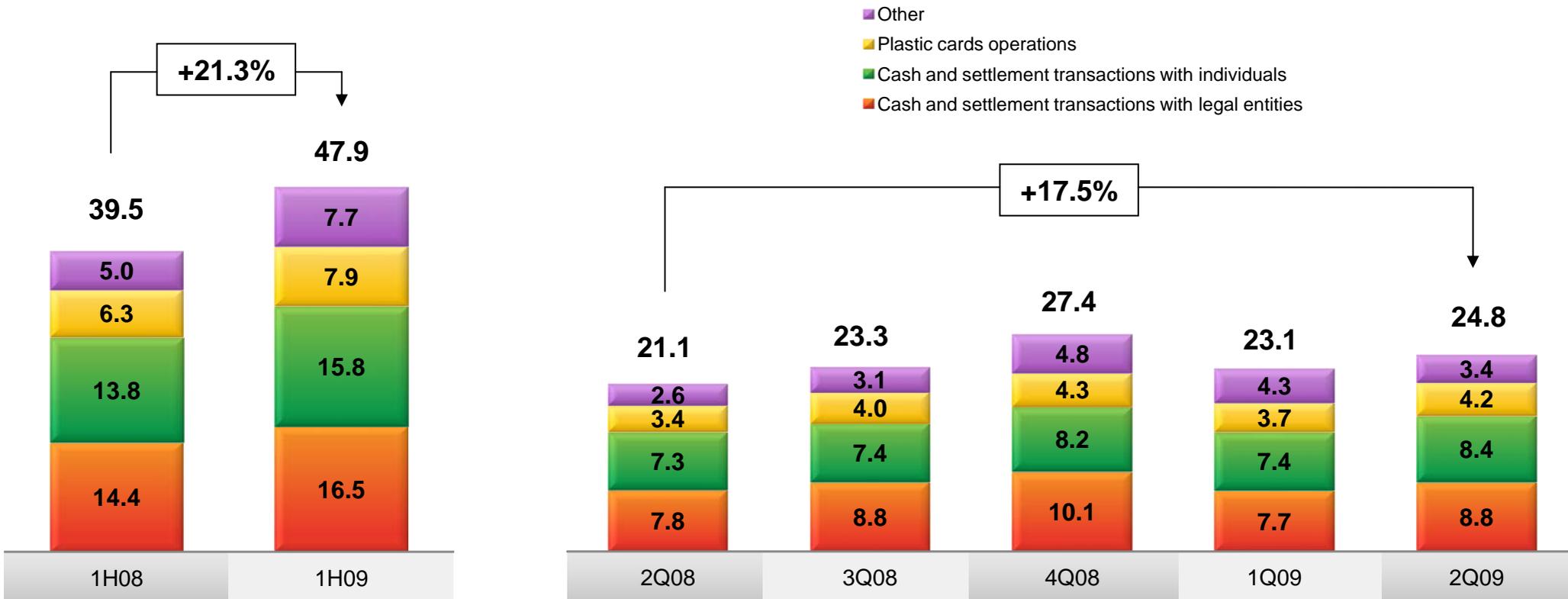


- Interest expenses grew by 44.5% in 1H09 compared to the 1H08 result
- As in previous periods, the primary component of interest expenses was interest expenses on deposits from individuals which dominated the Group's liabilities structure
- The rise in interest expenses in 1H09 was driven by the subordinated borrowing from the CBR in 4Q08 totaling RUB500 bn



Fee and Commission Income

Fee and Commission Income, RUB bn

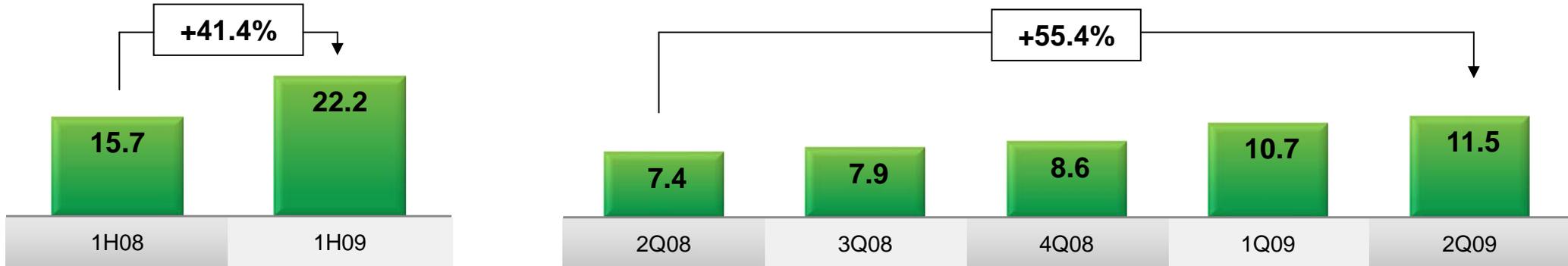


- The main components of fee and commission income are cash and settlement operations with clients
- The decline in fee and commission income in 1Q09 was caused by seasonal factors
- Other fee and commission income includes commissions from clients' transactions with securities and operations with foreign exchange, guarantees issued, cash collection, etc.



Gains / Losses on Operations with Securities

Interest Income on Securities, RUB bn



Trading Gains / Losses on Operations with Securities, RUB bn

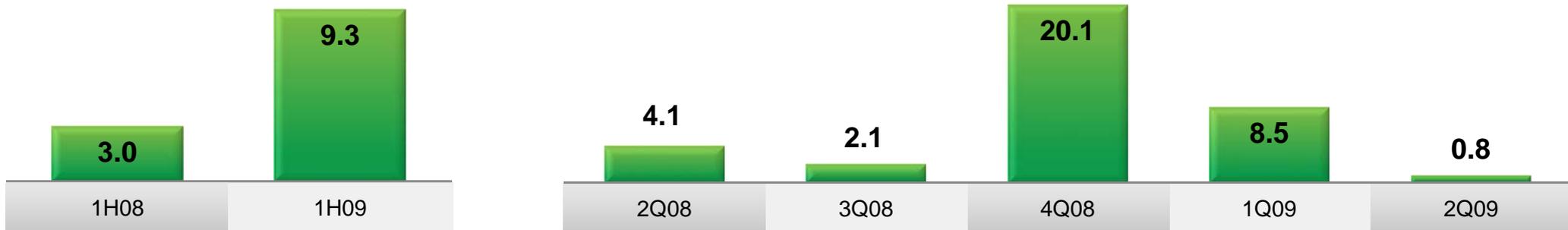


- Trading income from operations with securities in 1H09 totaled RUB3.2 bn and was driven by improved situation on the financial markets



Operations with Foreign Exchange and Precious Metals

Net Gain (Losses) from Operations with Foreign Exchange, RUB bn



Net Gain (Losses) from Operations with Precious Metals, RUB bn

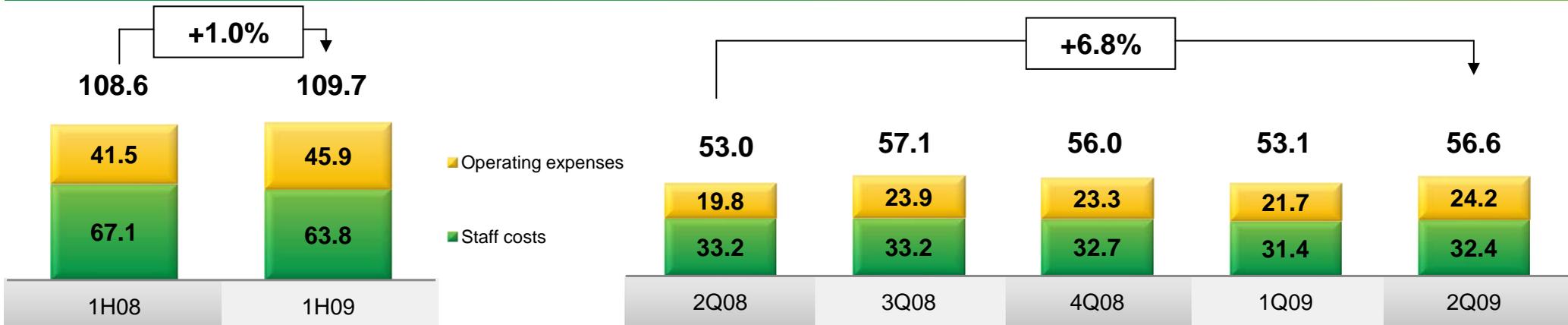


- In 2H08, for the purposes of liquidity management the Bank entered into swap transactions (gold vs US Dollar). Changes in gold prices in 3Q08 and 4Q08 led to unrealized losses arising from revaluation of short position in gold. At the same time positive revaluation of long position in the US Dollar resulted in net gains arising from operations with foreign exchange
- The Group's gains arising from operations with foreign currencies and foreign exchange translation gains decreased in 1H09

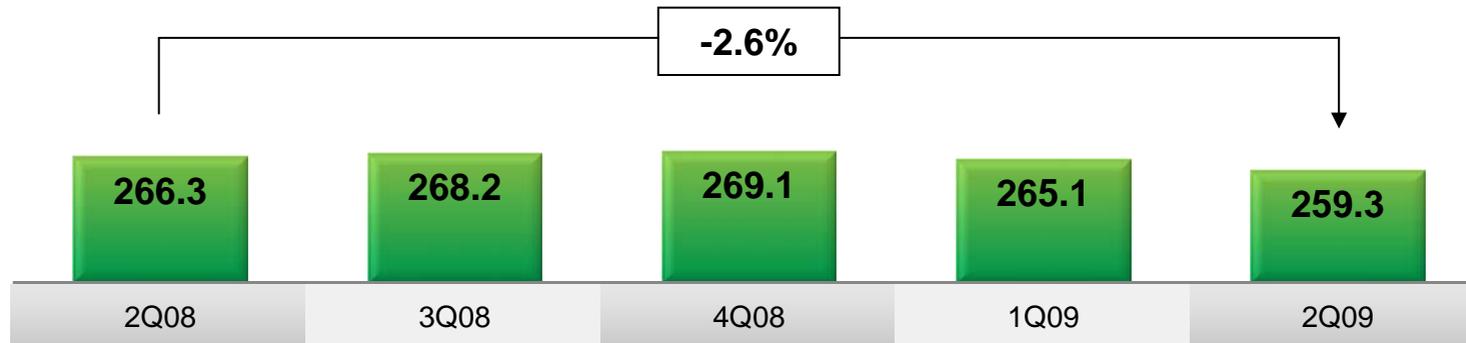


Administrative and Operating Expenses

Administrative Expenses, RUB bn



Actual Headcount (in thousands)

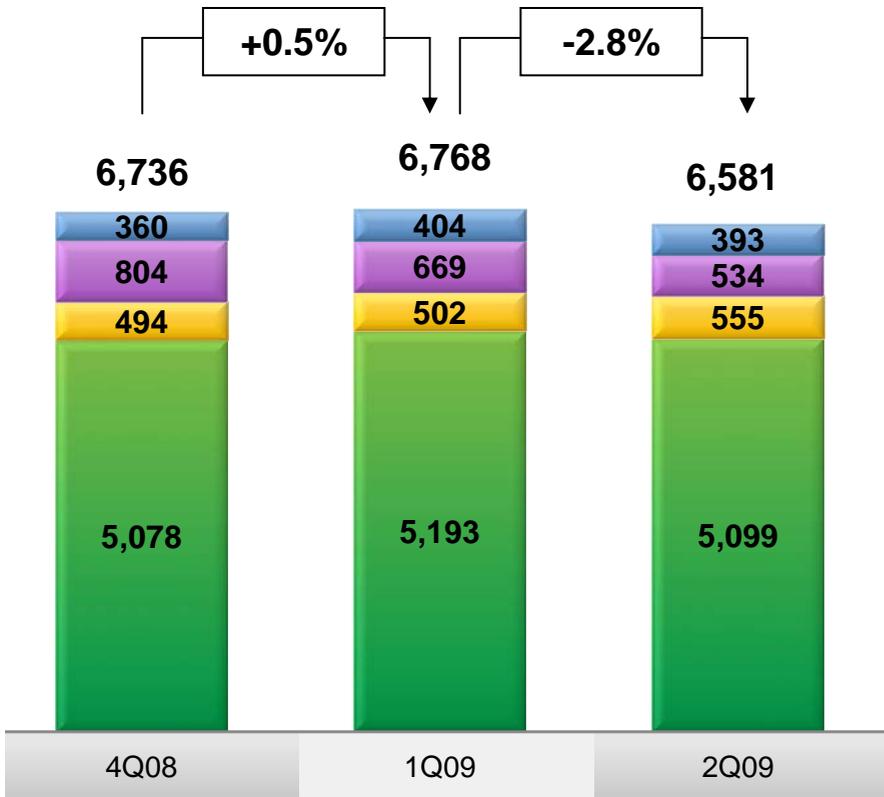


- Administrative and operating expenses increased by 1.0% in 1H09 against the 1H08 figures, with staff costs decreasing by 4.9%
- The number of employees decreased by 3.6% in 1H09 as a result of retirement, hiring freeze and staff optimization policy

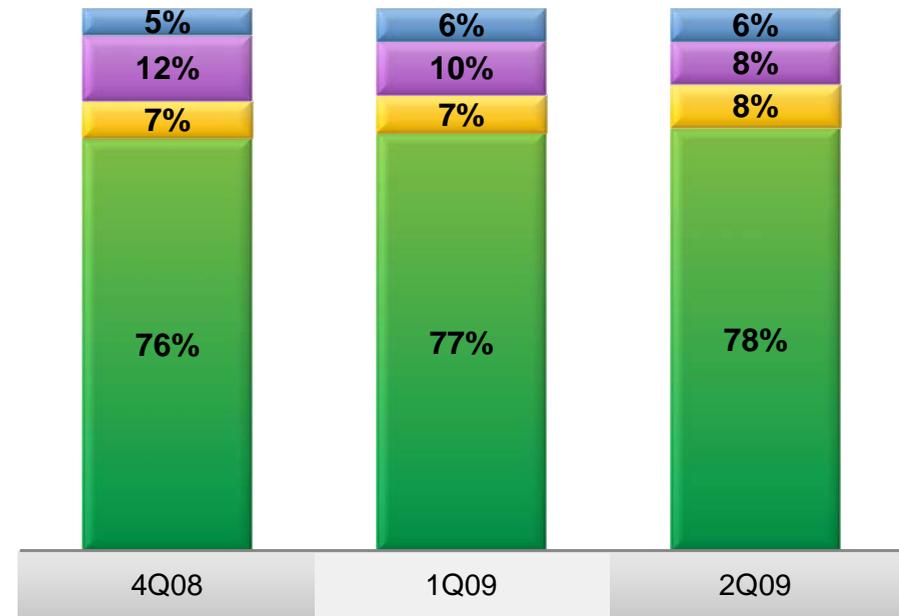


The Dynamics and Structure of Assets

Assets, RUB bn



Assets Structure

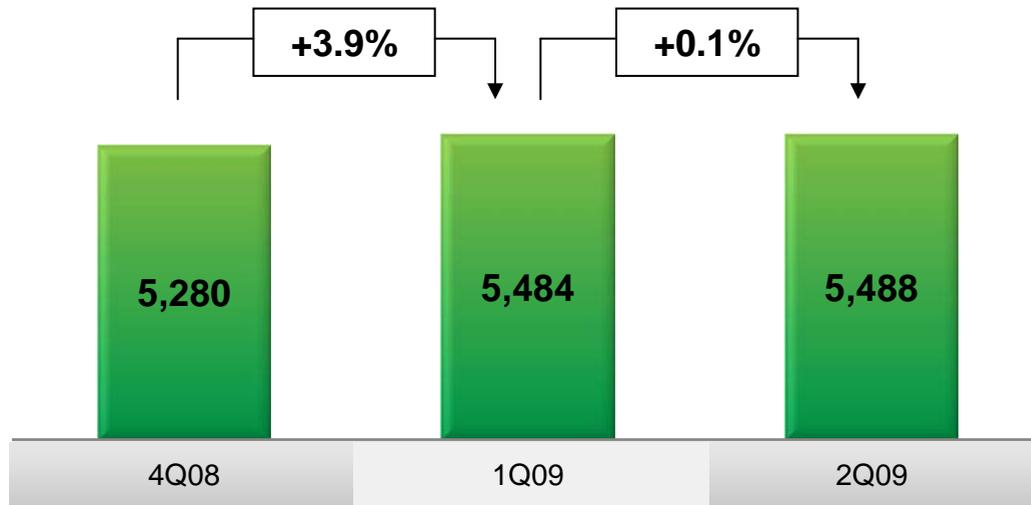


▪ In 1H09 the Group's assets decreased by 2.3%. The assets structure changed: the share of cash and cash equivalents in total assets decreased from 12% to 8% in 1H09



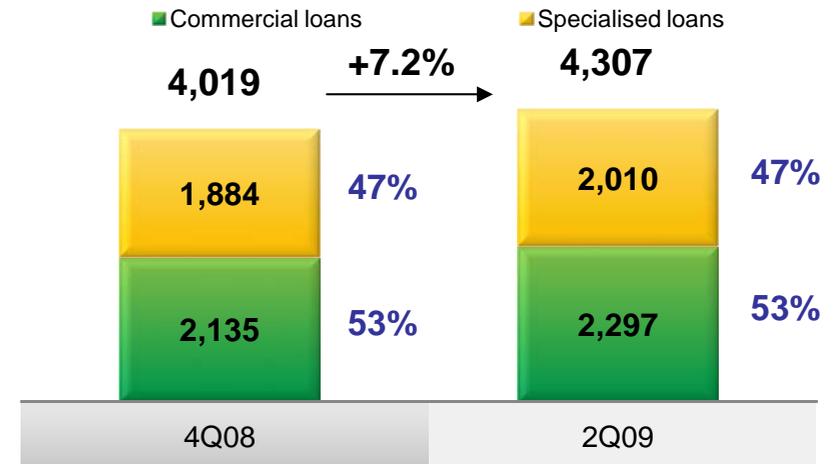
Loan Portfolio (1)

Loan Portfolio (before provision for loan impairment), RUB bn

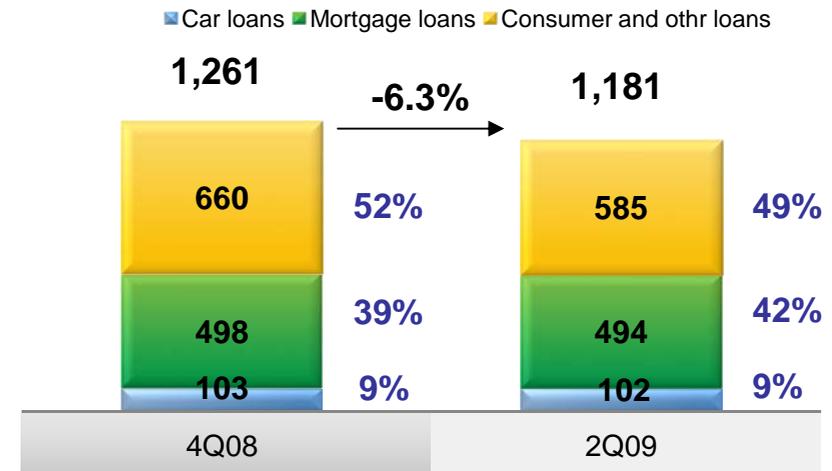


- Loan portfolio grew by 3.9% in 1H09
- Corporate loans grew by 7.2%, with both commercial and specialised loans to legal entities increasing
- Loans to individuals decreased by 6.3% due to reduction in demand for consumer loans from individuals
- Mortgage loans remained stable in 1H09 compared to the beginning of the period
- 'Specialized' lending to legal entities includes investment and construction project financing and contract financing

Corporate Loan Portfolio, RUB bn



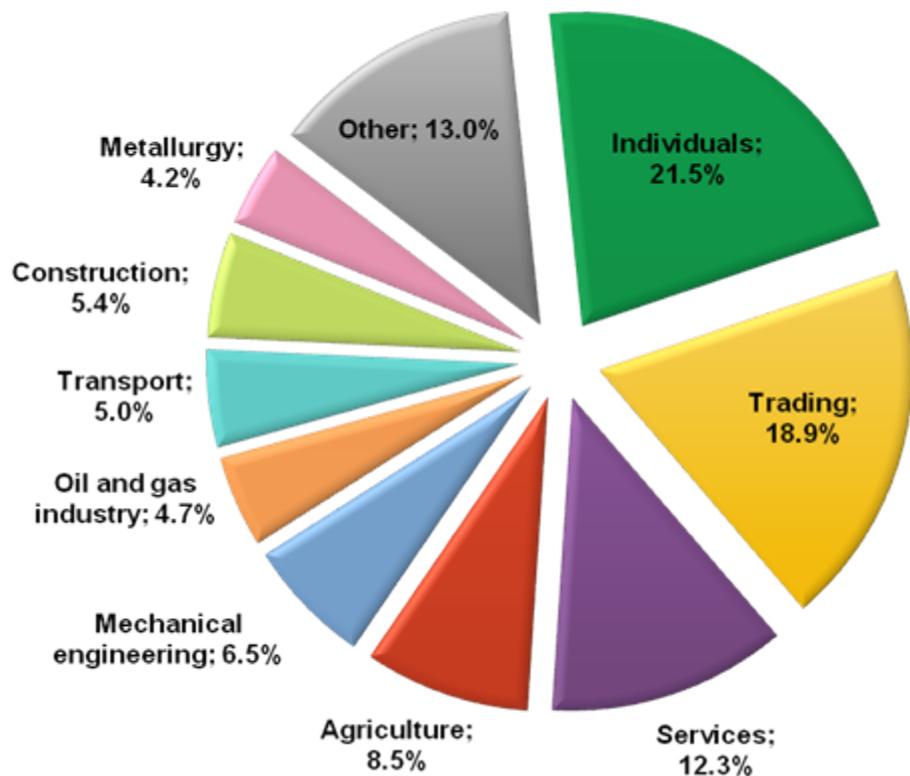
Retail Loan Portfolio, RUB bn



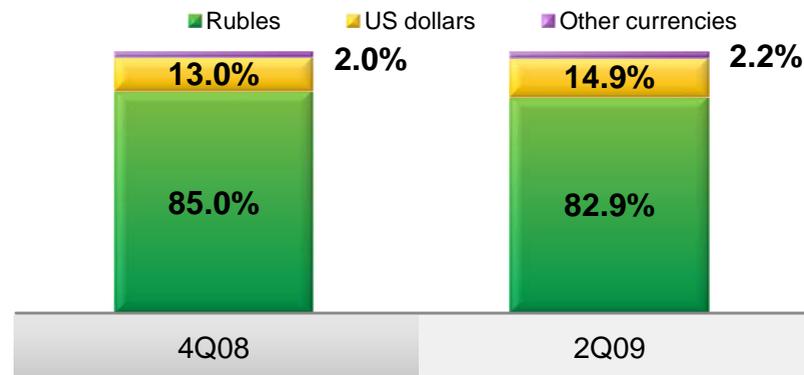


Loan Portfolio (2)

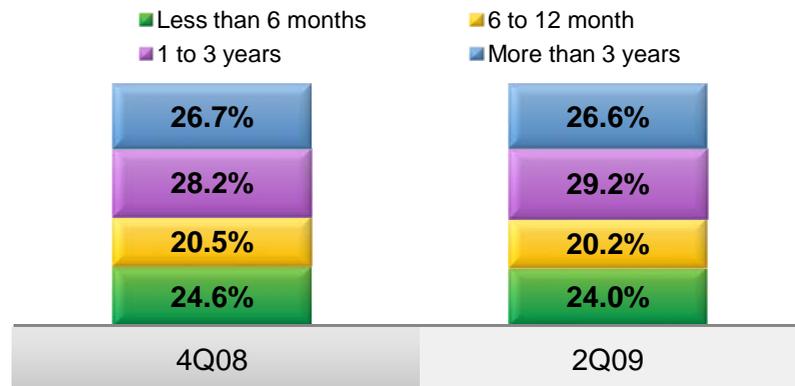
Industry Breakdown, as of 30 June 2009



Currency Breakdown



Maturity Breakdown

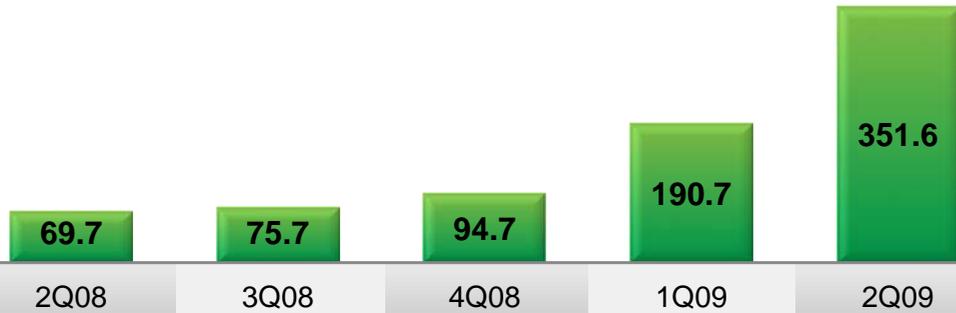


- The Group's loan portfolio is well diversified, with the share of the largest industry (for corporate clients) being less than 20% of the total loan portfolio
- The proportion of ruble-denominated loans decreased by 2.1 pp during 1H09. The maturity structure of the portfolio did not change significantly: the proportion of loans with the remaining expected maturity more than 1 year increased by 0.9 pp

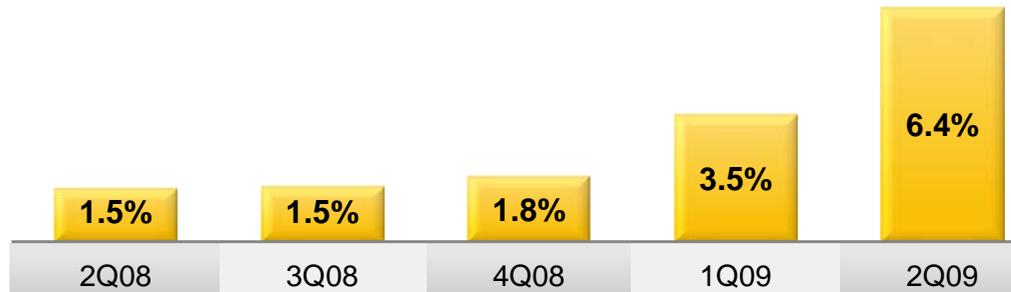


Loan Portfolio Quality (1)

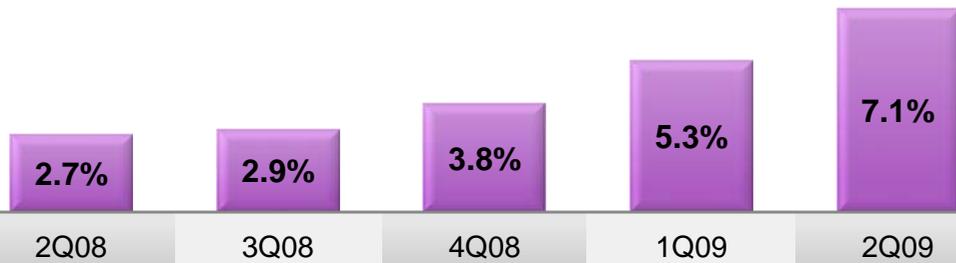
Non-Performing Loans*, RUB bn



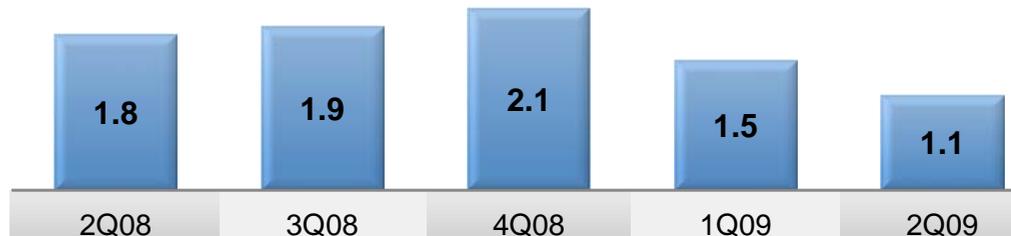
Non-Performing Loans to Total Loans



Provision for Loan Impairment to Total Loans



Coverage Ratio (provision for loan impairment to non-performing loans)



* Overall exposure, should there be any payments (principal and/or interest) overdue more than 90 days as of the reporting date.

- The proportion of non-performing loans in the total loan portfolio increased due to the deteriorating economic environment both in Russia and globally
- The ratio of loan impairment provisions to non-performing loans (NPL coverage ratio) decreased during 1H09 as a result of faster growth of non-performing loans to provisions



Loan Portfolio Quality (2)

	4Q08	1Q09	2Q09	1Q change	2Q change
Loan portfolio, RUB bn	5,280	5,484	5,488	3.9%	0.1%
Provision for loan impairment, RUB bn	-202.3	-290.9	-388.1	43.8%	33.4%
Provisioning ratio (provision to loan portfolio,%)	3.8%	5.3%	7.1%	+1.5 pp	+1.8 pp

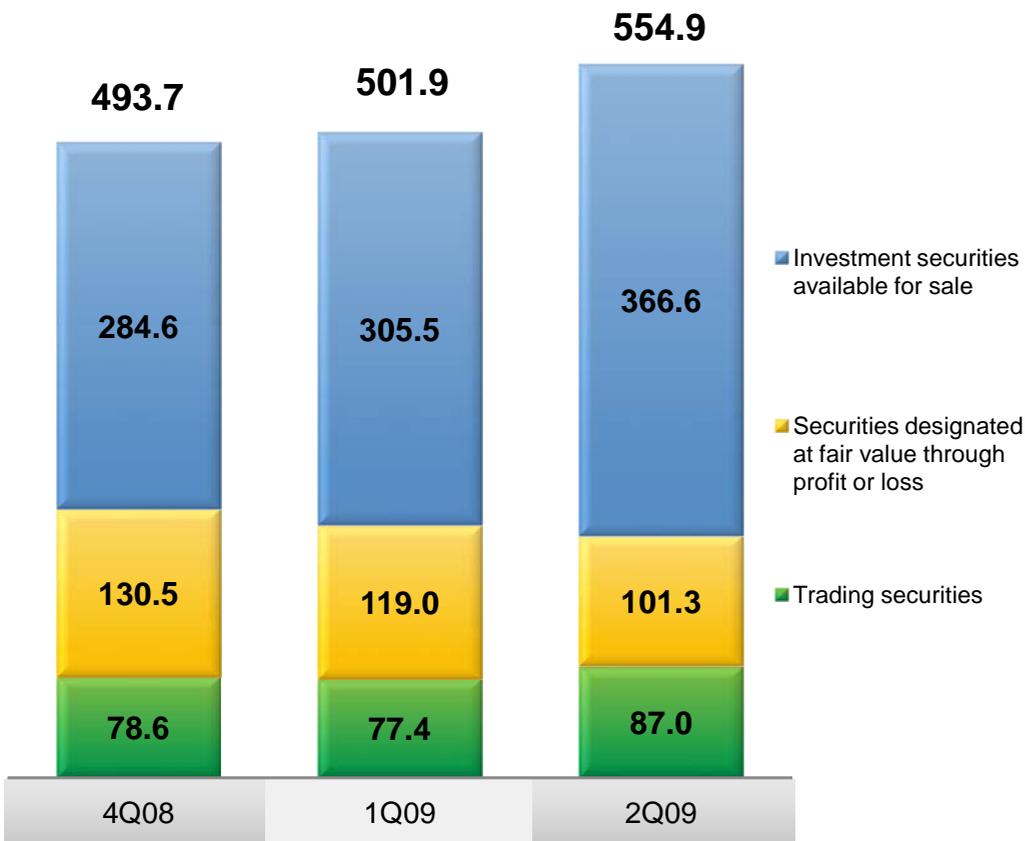
Change in provision for loan impairment	1Q09	2Q09
Write-offs against provisions, RUB bn	2.1	3.6
Provisioning for loan impairment, RUB bn	-90.7	-100.8
Total, RUB bn	-88.6	-97.2

- In 1H09, the Group continued to increase provision for loan impairment, which had a major effect on the Group's profit for the reporting period

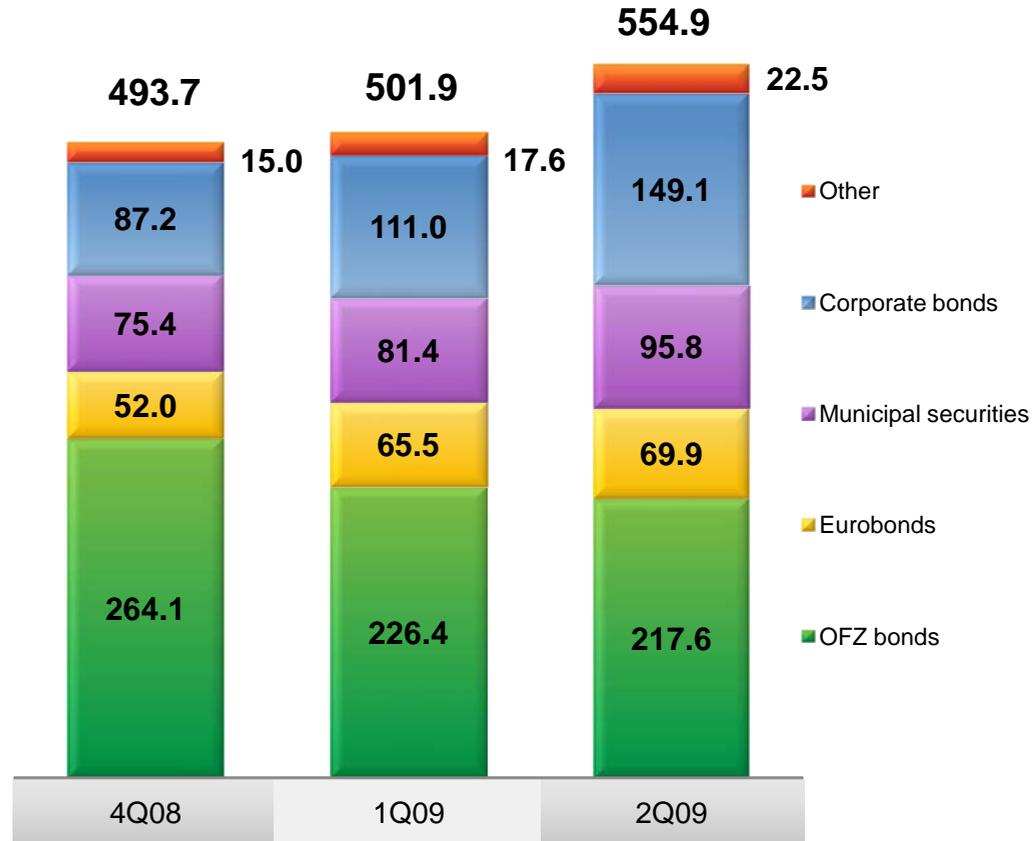


Securities Portfolio

Investment Securities (by portfolios), RUB bn



Breakdown by Types of Securities, RUB bn

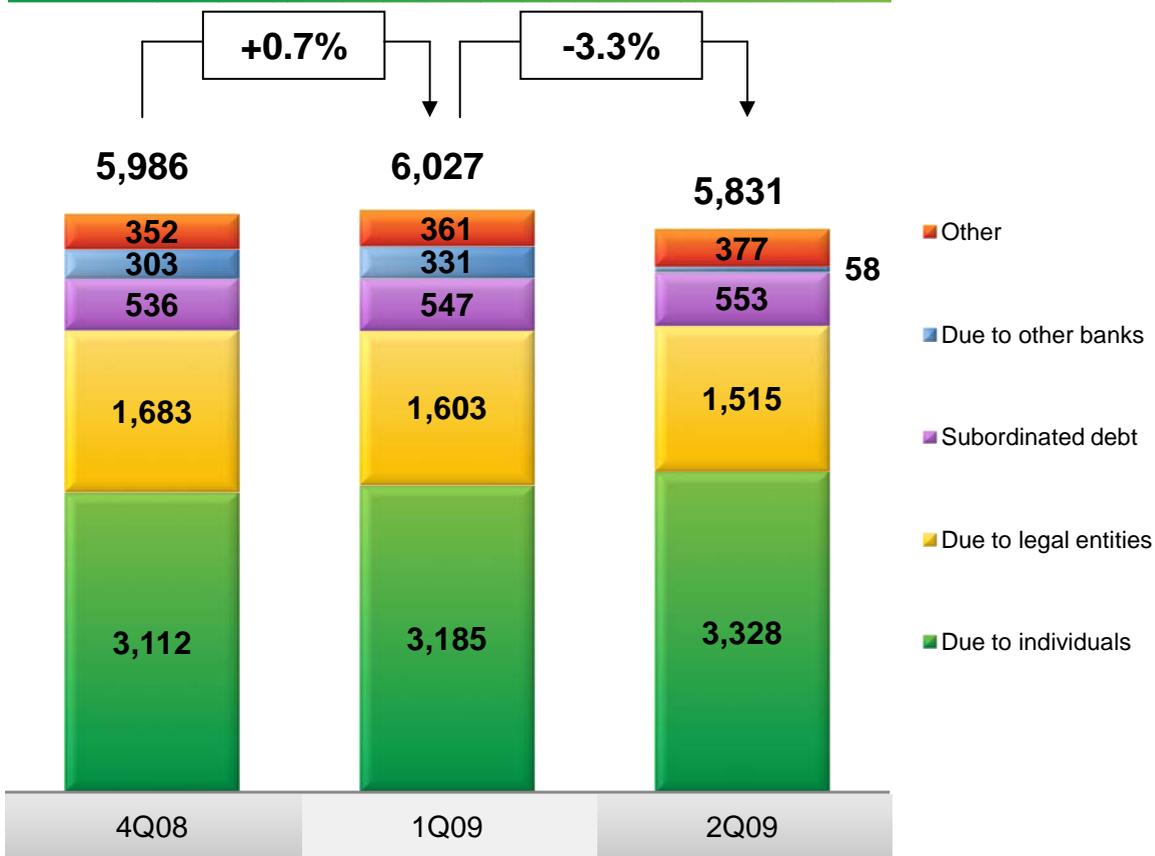


- During 1H09, the Group continued to increase its portfolio of investment securities available for sale
- In 1H09 the proportion of OFZ in the securities portfolio decreased from 53.5% to 39.2% and at the same time corporate bonds portfolio increased by 71.0% which is one of the form of corporate lending

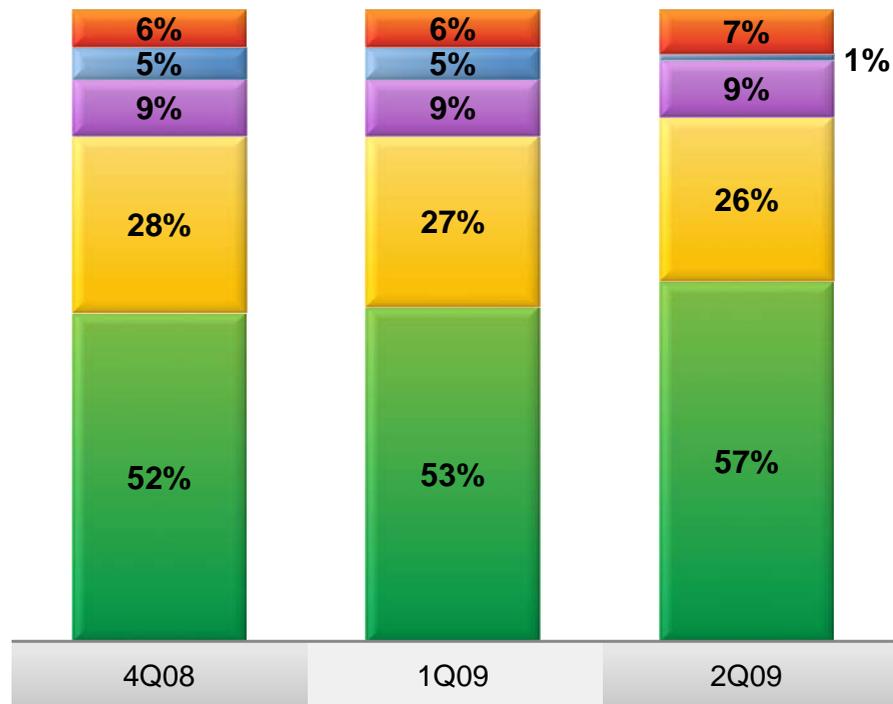


The Dynamics and Structure of Liabilities

Liabilities, RUB bn



Liabilities Structure

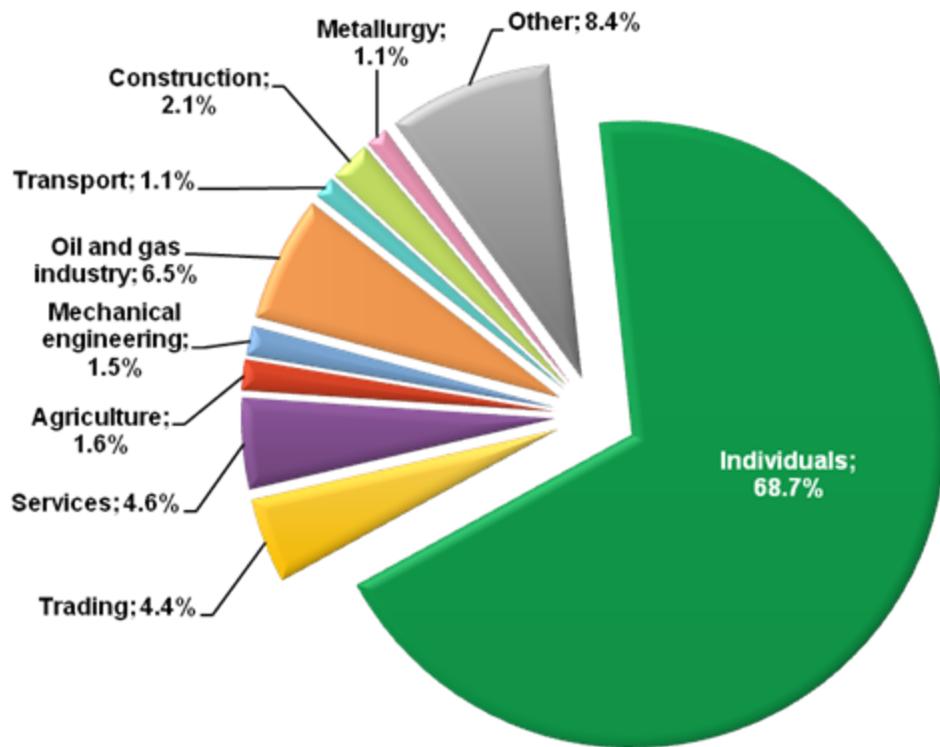


- Retail deposits dominate the Group's liabilities. For the 1H09, they grew by 6.9%
- In 4Q08, the Group received a subordinated loan from CBR in the amount of RUB500 bn. As at 30 June 2009, its amortised cost was RUB524 bn
- As at 30 June 2009, international borrowings amounted to RUB191.2 bn

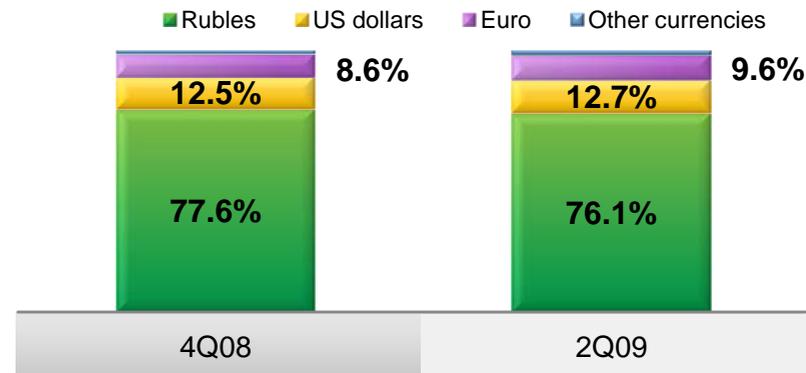


Due to Customers

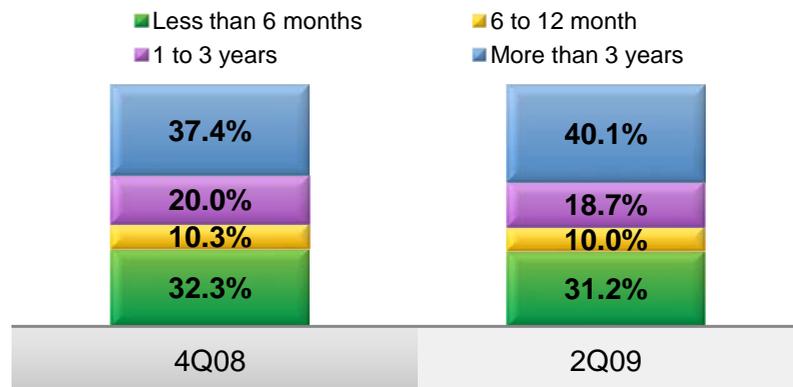
Breakdown by Customer Type, as of 30 June 2009



Currency Breakdown



Maturity Breakdown

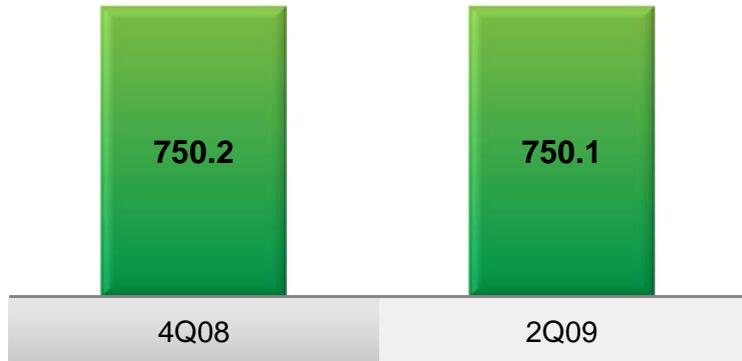


- Retail deposits are the core component of the Group's customer accounts and deposits
- At the end of 2008 and 1H09, the proportion of ruble-denominated deposits decreased in favor of foreign currency deposits; this shift was brought about by the ruble depreciation against the US dollar and euro
- The maturity structure of the deposits remain stable, with higher proportion of long-term borrowings

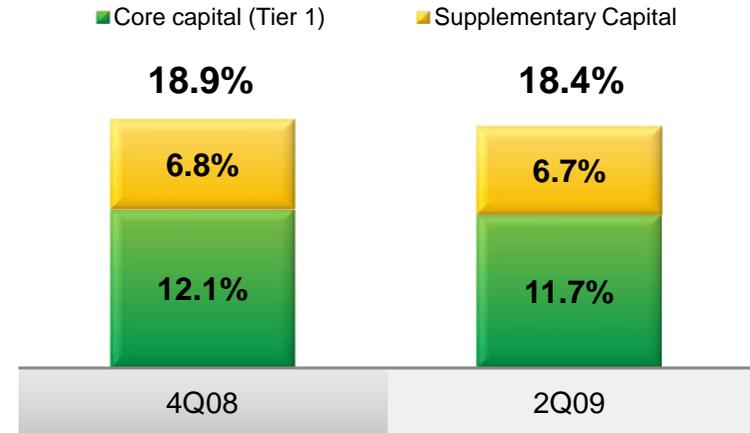


Shareholders' Equity and Capital Adequacy

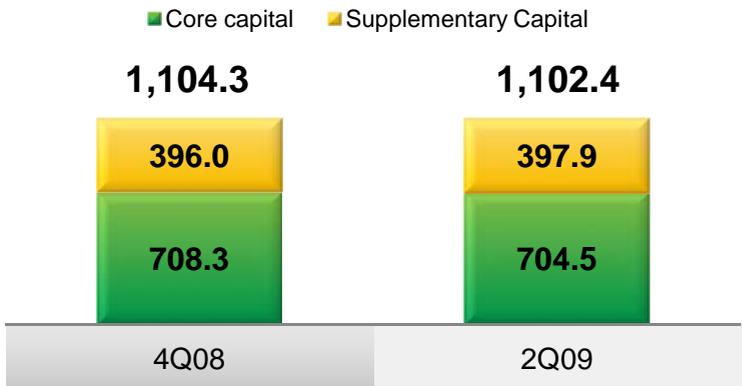
Equity, RUB bn



Capital Adequacy Ratio, Basel 1



Regulatory Capital Basel 1, RUB bn



Risk-Weighted Assets, RUB bn



- The Group's capital adequacy ratio is well above the CBR's requirements. In 4Q08, the Group received a subordinated loan from CBR which substantially increased supplementary capital (Tier 2) of the Group. The total capital adequacy ratio calculated according to the Basel 1 Accord, as of 30 June 2009, was 18.4%



Forward-Looking Statements

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