

Opinion of the Internal Audit Service of Sberbank for the year 2024

This opinion has been prepared in accordance with the requirements of Federal Law No. 208-FZ "On joint stock companies" dated 26 December 1995.

General finding

We have not found any violations, errors or deficiencies in the Bank's activities, which could threaten the interests of its shareholders, creditors or depositors, or affect its financial stability.

The 2024 inspection results of the Internal Audit Service (hereinafter also the "Service") prove that the systems of internal control, risk management, and corporate governance of Sberbank (hereinafter also the "Bank") are consistent with the nature and scale of current operations as well as the level and combination of accepted risks.

Assessment of the internal control system

The goals, principles and approaches, in accordance with which the Bank builds up the internal control system, are defined in the Policy of Sberbank on the organization of internal control¹, approved by the Bank's Supervisory Board.

In accordance with the requirements of Article 10 of Federal Law No. 395-1 dated 02.12.1990 "On Banks and Banking Activities", the Bank's Charter contain information on the system of management bodies, including internal control bodies, the procedure for their formation and powers.

The executive bodies of the Bank shall ensure organization and implementation of internal control in the Bank. All employees of the Bank participate in the implementation of internal control procedures in accordance with their job responsibilities.

The Internal Audit Service, being an independent structural unit, evaluates the efficiency of the internal control system in the Bank. In accordance with the regulator's requirements², the Service performs audits in all areas of the Bank's activities and monitors the effectiveness of measures taken by the Bank's divisions based on the results of the audits to mitigate the identified risks.

In 2024, the Service inspected 27 areas of the Bank's activities, including:

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| 1. Deposits of individuals | 15. State support of importing enterprises |
| 2. Salary projects | 16. State support of exporting enterprises |
| 3. Servicing of Premium segment | 17. Business cards for corporate clients |
| 4. Servicing of Pensioners segment | 18. Lending to Small and Micro Businesses |
| 5. Servicing of the Self-Employed segment | 19. Small and Micro Business Products |
| 6. Provision of safe deposit boxes | 20. Attracting funds of corporate clients |
| 7. Problem debts of individuals | 21. Cash and settlement servicing of clients |
| 8. Network of self-service devices | 22. Service on financial markets |
| 9. Brokerage services | 23. Cyber security |
| 10. External distribution | 24. IT-infrastructure reliability |
| 11. State support of agro-industrial complex | 25. Payment system |
| 12. State support for SME borrowers | 26. Personnel costs |
| 13. State support to borrowers participating in the Special military operation | 27. Provisions for credit losses |
| 14. State support of systemically important enterprises | |

The Bank's management gave 590 instructions to resolve the identified problems in the processes, and the Service monitors the fulfilment of the instructions.

¹Policy of PJSC Sberbank dated 03.07.2020 No. 5234 "On Organization of Internal Control".

²Regulation of the Bank of Russia No. 242-P dated 16.12.2003 "On Organization of Internal Control in Credit Organizations and Banking Groups".

The Service inspected 34 companies of Sberbank Group (hereinafter also the “Group”) in the following areas:

- Banking activities
- Investment activity
- Leasing activity
- Financial services
- Legal services
- Property management
- Property insurance
- Foreign trade services
- Cash register equipment sales
- Data processing services
- Cartographic service
- Publishing activity
- Advertising agency activity
- Music Streaming
- Film Production

The results of the audits were reviewed by the Boards of Directors of the companies, and action plans to eliminate the identified deviations were approved.

The risk management system

The Bank manages the Group’s risks and capital in accordance with the Sberbank Group’s Risk³ and Capital Management Strategy approved by the Supervisory Board of the Bank.

The risk and capital management system is aimed at ensuring sustainable development of the Bank and the Group members. The Group's financial stability is ensured through timely identification of potential risks.

The Bank monitors and controls the amount of accepted risk, implements measures to reduce the level of accepted risk in order to maintain it within the established internal and external limits.

The Bank develops preventive and corrective actions to maintain capital adequacy and prevent/reduce losses in case of stressful situations.

The Bank develops risk culture and competences of employees in risk management.

The Service provides an independent assessment of the effectiveness of the risk and capital management system, including verification of the effectiveness of the methodology of assessment of bank risks and bank risk management procedures.

In 2024, the Service reviewed all 12 significant risks identified at the Bank⁴:

1. B2B credit risk
2. B2C credit risk
3. Country risk
4. Market risk of trading book
5. Currency risk of banking book
6. Interest rate risk of the banking book
7. Liquidity risk
8. Participation and involuntary support risk
9. Operational risk
10. Model risk
11. Cybersecurity risk
12. Behavioural risk

As part of the B2B credit risk review, case reviews of the Bank's corporate loan portfolio totalling RUB 2.4 trillion were conducted.

In accordance with the requirements of the Bank of Russia⁵, 16 segments of credit claims transferred to the TAC⁶.

Based on the results of the Service's audits, the Bank's Management gave instructions to improve the risk management system.

The corporate governance system

³Risk and Capital Management Strategy of PJSC Sberbank Group dated 12.12.2023 No. 3960-7.

⁴In accordance with the Decision of the Group Risk Committee dated 19.02.2024 No. 152 §4a ‘On Approval of the Report on Identification and Assessment of Material Risks of PJSC Sberbank Group’.

⁵Regulation of the Bank of Russia No. 845-P dated 02.11.2024 ‘On the procedure for calculation of credit risk by banks using banking methods of credit risk management and models of quantitative assessment of credit risk’.

⁶TAC - internal ratings-based approach to credit risk assessment for the purposes of calculating capital adequacy ratios

The main principles of corporate governance at the Bank were approved by the Supervisory Board of the Bank as part of Sberbank's Corporate Governance Code⁷.

Individual processes and practices of corporate governance at the Bank are governed by the Charter and detailed in the Bank's internal documents.

Corporate governance aims to protect the rights and interests of shareholders, improve business efficiency, develop the transparency and investment potential of the Bank, and safeguard and increase the shareholder capital.

In 2024, the Service's inspections focused on the following corporate governance issues:

- compliance with lines of authority and responsibility in the management of the business;
- compliance of competence and qualifications with the scale of operations;
- compliance with business ethics and anti-corruption principles, policies regarding potential and existing conflicts of interest, and in the area of confidential and insider information.

The Service did not identify any significant deficiencies and violations in the area of corporate governance within the framework of audits of the Bank's business lines and Group companies.

The Russian Institute of Directors⁸ assigned the Bank a National Corporate Governance Rating (NCGR) of 8++ (best corporate governance practice). Since 2021, Sberbank has been a leader in corporate governance and sustainability management among Russian companies with NRCG.

Explanatory Note

The Supervisory Board Audit Committee has reviewed the Opinion of the Service.

The Supervisory Board of the Bank has passed a resolution to include the Opinion of the Service in the set of information (materials) provided to the persons entitled to attend the Annual General Meeting of Shareholders of Sberbank following the 2024 results.

⁷Corporate Governance Code of PJSC Sberbank dated 08.12.2020 No. 3879-2

⁸<http://rid.ru>