

Sberbank Europe
Sustainability Report



SBERBANK

2019



Foreword



Sonja Sarközi, CEO Sberbank Europe

Dear readers,

For Sberbank Europe, contributing to our society in a proactive and constructive way is a huge priority. That's why 2019 was marked by numerous initiatives and further developments throughout the entire banking group in the area of sustainability.

To name just two examples from our subsidiary banks, Sberbank CZ issued "green" consumer credit for the first time in 2019 by planting trees for every approved loan. In the fall of 2019, Sberbank Serbia supported an initiative to help clean up the shore areas of the Danube and Sava rivers in Belgrade, collecting more than 840 kg of waste.

All of Sberbank Europe's sustainability initiatives share a singular starting point thanks to our 2018 survey, where a group-wide sustainability poll was carried out in order to obtain concrete data and facts about the expectations and priorities of our stakeholders in the area of sustainability and non-financial matters. The results of this survey and the experience gathered from previous years form the foundation for this Sberbank Europe Sustainability Report for 2019.

It goes without saying that we take a heavily customer-focused approach to all our activities. Sberbank Europe will push forward with its efforts to ensure the quality and accessibility of products and services based on extraordinary customer experience. Active in eight markets in Central and Southeastern Europe, Sberbank Europe aims to contribute to regional economic development and prosperity by providing financial solutions to local customers.

The wellbeing of our employees is also an important part of our sustainability approach. Sberbank Europe has a corporate culture which places great emphasis on diversity and team spirit. We support our employees in their further development and promote their commitment. Above all, we want to enhance energy efficiency through sustainable resource management.

As part of Sberbank of Russia, the largest Russian bank that has a long tradition in corporate social responsibility, our sustainability mission is clear – we strive to always act responsibly, paying the utmost attention to the wellbeing of our society, our employees and the protection of the environment. We aim to conduct business in a way that is in the interest of all parties Sberbank Europe interacts with.

On behalf of our Management Board, I would like to thank all our employees for their commitment to sustainability. By working together, I am confident that we will successfully forge a path to a sustainable future through our actions and the way we live.



Sberbank Europe Headquarters at Schwarzenbergplatz in Vienna

Introduction to the Report

Sberbank Europe recognizes the need to regularly provide reports on its impact on society, the economy and the environment and strives to ensure transparency with regard to its resolutions and activities that affect these three areas.

With the following consolidated Sberbank Europe Group sustainability report, the bank aims to transparently inform its stakeholders about the main non-financial performance indicators of Sberbank Europe in 2019.

Reporting requirements according to NaDiVeG: Since 2017, the Sustainability and Diversity Improvement Act (NaDiVeG), which introduced the EU Directive 2014/95/EU into national law, has required large companies of public interest to report information on environmental and social issues. The main objective of the Directive is to promote transparency and to improve the relevance, consistency and comparability of disclosed non-financial information.

In 2017, Sberbank Europe started the process of defining and evaluating the most relevant areas in relation to sustainability and corporate social responsibility by conducting an impact analysis within the bank's core team for non-financial reporting. This analysis was followed by a comprehensive stakeholder survey in 2018. With the aim of understanding the priorities and expectations of our stakeholders in the area of sustainability, Sberbank Europe conducted a group-wide anonymous sustainability survey among its most

relevant stakeholders. The following stakeholders have been identified as relevant by the bank's core non-financial reporting team: employees, customers (retail, corporate & SME), management (Board Members and B-1 managers), business partners, authorities/regulators, the Works Council as well as representatives of the shareholder Sberbank of Russia. The stakeholders were asked how important it is to them that Sberbank Europe is committed to a particular sustainability area and how they perceive Sberbank Europe's current engagement with this topic.

For Sberbank Europe, corporate social responsibility is an approach that we use to build relationships with our stakeholders. We strive to conduct business in a way that benefits all parties Sberbank interacts with.

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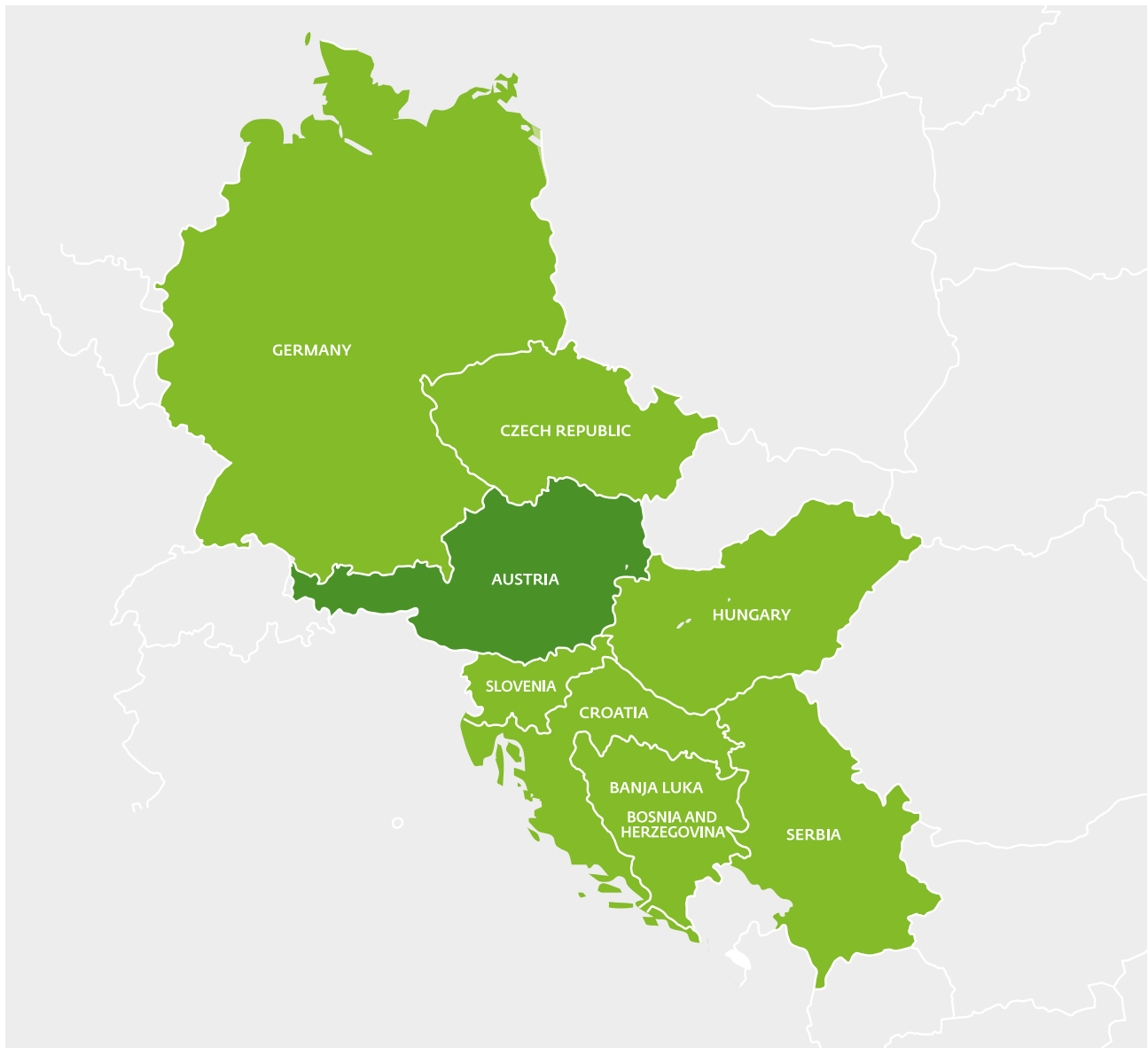
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About Sberbank Europe



Sberbank Europe's market presence

Sberbank Europe AG, headquartered in Vienna, Austria, is a banking group that is 100% owned by Sberbank of Russia, the largest bank in Russia. Sberbank of Russia services more than 70% of the Russian population. The European subsidiary Sberbank Europe is present in eight European markets: Austria, Germany, Bosnia and Herzegovina (Sarajevo and Banja Luka), Croatia, the Czech Republic, Hungary, Slovenia and Serbia.

Sberbank Europe Group has around 740,000 customers, operates 188 branches, and has a workforce of more than 3,900 employees across Europe. As of December 2019, Sberbank Europe reported a net profit of EUR 40.6 million and total assets of EUR 12.1 billion.

Strategy

Since Sberbank of Russia acquired Volksbank International in 2012 as part of its international expansion strategy and rebranded it as Sberbank Europe, major steps have been taken to gradually transform Sberbank Europe into a fully-fledged, self-funded and profitable European banking group with a strong focus on retail, small and medium-sized enterprises (SMEs) and corporate customers in Central and Southeastern Europe (CEE/SEE). As an integral part of one of the most dynamic and successful financial providers in the world and the largest bank in Russia, Sberbank Europe aims to build sustainable bridges between Russia and the European markets.

The vision of Sberbank Europe is to win customers for life, become a first-choice bank for daily customer business and to become a strong partner supporting the cross-border business between Russia/CIS and European markets covered by Sberbank Europe.

Having a mixture of universal and tailored product portfolios offering attractive conditions for retail, SME and corporate clients and pursuing our mission to add value for our customers is key to building and maintaining long-term customer relationships and ensuring a high level of customer satisfaction. Since Sberbank entered the European market, it has experienced continuous growth within its customer base in the markets it covers, demonstrating our customers' ever-growing trust in us. Since entering the German market in 2014, Sberbank Europe has substantially expanded its business, offering high-quality services to local customers. With further product range expansions planned in the coming years, it is aiming to build a stronger connection between the bank's offerings and customer needs, increasing customer satisfaction.

In order to be a sustainably successful and profitable banking group, Sberbank Europe believes it needs to offer extraordinary services supported by fast and efficient processes, a digital end-to-end customer journey as well as a seamless and unified customer experience across all channels.

The customers' changing needs and expectations towards their financial providers come mainly as a result of an accelerating digital transformation, continuous technological changes and recent demo-

graphic developments. Sberbank Europe knows that, in order to satisfy customer needs, it has to undergo a substantial transformation to become a banking group with a strong digital edge. Consequently, Sberbank Europe is digitalizing and simplifying all its processes in order to deliver high-quality, convenient and competitive products under fair conditions that are available online and offline, wherever our customers approach us.

The bank has substantially strengthened its funding profile in recent years, as the share of customer deposits has continuously increased. This strong funding base supports the expansion of Sberbank Europe's business with its local customers and partners, contributing to further development and prosperity in the CEE/SEE region.

Sberbank Europe's business model is based on five pillars:

Profitable & self-sustainable: Sberbank Europe pursues a model of self-sustaining growth, focuses on high-margin products and businesses, exercises prudent capital management while further boosting business in the local banks. Stable income streams, improved asset quality and enhanced risk management will be the main contributors for its sustainable business growth and strengthened profitability in the years to come.

Customer focus: A customer-centric approach is at the heart of every successful business. That is why Sberbank Europe has placed high customer satisfaction, strengthening the customer experience and excellence among its top priorities. To build an excellent relationship, attract and retain the customers in the market, Sberbank is always trying to exceed expectations by continuously upgrading its product offerings, expanding sales channels and entering into new partnerships.

Modern bank: The future vision for Sberbank Europe is to be a hybrid bank – a fully digital bank with a physical presence. Sberbank's ambition is to service its ever-increasing tech-savvy customers to the highest quality standards by undergoing a complete digital transformation through introduction of the omnichannel banking tools and expansion of its digital product portfolio.

Light bank: Being an agile institution in a fast-moving and dynamic banking landscape is what sets us apart from the rest. Sberbank Europe continues improving its operations by implementing state-of-the-art efficiency measures characterized by strict cost management, robotization, process automation, branch network optimization, competency improvement, and effective steering.

People focus: One of the core strengths of Sberbank Europe is its diverse and competent human capital.

We at Sberbank strongly believe that the way we treat our people will directly impact and reflect on the services we provide for our highly valued customers. For this reason, to retain and attract the best talent in the region, we aim at promoting an open culture and providing the best environment for our employees to grow. These aspirations are supported by implementing leadership and succession planning, talent acquisition and management, training and workshops to strengthen core competencies.

Products and Services

RETAIL BUSINESS	CORPORATE AND SME BUSINESS
Mortgage and consumer loans	Investment and liquidity financing (working capital / overdraft)
Current accounts and savings products	Trade finance & transaction banking
Credit cards	Supply chain finance / factoring
Focus on digital banking & partnership programs	Treasury products
Sberbank Direct in Germany: online retail bank offering term deposits, saving accounts and instant consumer loans	Project and real estate financing

Risk Assessment

As part of the annual evaluation of Sberbank Europe's non-financial priorities, the core sustainability team and Risk department assessed the key non-financial risks in terms of their ecological and/or social impact. In addition, all risks related to the sustainability priorities were recorded during the risk identification

and materiality assessment process. As part of a close collaboration between the Risk Management department and all other relevant departments, potential risks were identified and the corresponding control mechanisms were evaluated.

Corporate Values

Sberbank Europe's corporate values are at the core of our attitude towards life and work. They are an internal compass that helps us make decisions in complex situations.

All for the customer: All our activities are built around clients and are in their interests. We aim to surprise and delight clients with the quality of our services and attitude. We aim to exceed our clients' expectations.



Sberbank Europe corporate values

We are a team: We're always eager to help each other as we work to achieve a common goal. We help our colleagues grow and develop. We are open and trust our colleagues.

I am a leader: We take responsibility for our actions and for what is happening around us. We are honest with each other and with our clients. We continuously develop and improve ourselves, the bank, and our environment.

Our Priorities

Quality and accessibility of products & services: Ensuring quality and accessibility of products and services, fostering respectful client relationships and striving to offer the most state-of-the-art digital banking services and a unified user experience. Focusing on seamless, nearly instant and fully automated end-to-end processes to continuously improve the customer experience.

Responsible financing: Contributing to regional economic development and prosperity by providing financial solutions to local customers. Responsible financing by supporting sustainable regional industries.

Employees: Supporting employee health and wellbeing by fostering diversity, a corporate culture and employee engagement while enhancing learning & development, talent management as well as a fair and transparent remuneration policy.

Environment: Enhancing energy efficiency and minimizing any negative environmental impact through sustainable resources management.

Ethics & compliance: Preventing corruption and money laundering, while also protecting human rights through responsible and ethical conduct.

Security & data protection: Ensuring information security and data protection for all stakeholders.

Charity and sponsorship: Supporting local initiatives, projects and events with a social or cultural dimension and promoting a healthy lifestyle.

Stakeholder communication: Enhancing transparent and regular communication with all stakeholders of Sberbank Europe.

Quality and Accessibility of Products & Services

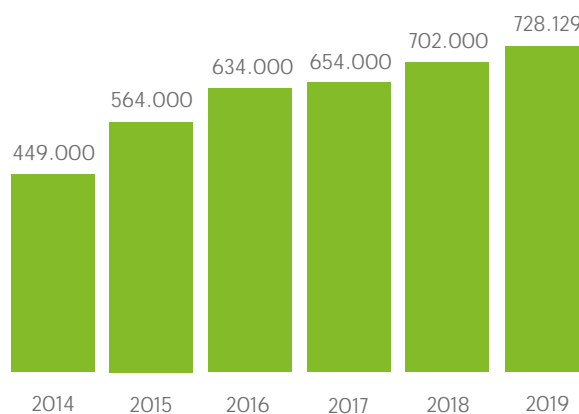
Our Retail Customers

Sberbank Europe has a long-term commitment to operating in Central and Eastern Europe. It understands that in order to conduct its business in a sustainable manner it needs to align its interests with those of its customers. Sberbank Europe's retail strategy goes hand-in-hand with the overall strategy of Sberbank to grow in segments where the bank creates added value for its customers. Therefore Sberbank Europe has set its retail focus on digital sales, partnerships and lending in all its markets.

Sberbank Europe's aim is to build and foster long-term relationships with its customers by creating a sustainable business model for the future. It strives to do so by offering high-quality products and services through various channels to the right customers at the right time.

At the very forefront of this endeavor are customer needs and accessibility – a customer-centric approach. Sberbank Europe's vision is to build

RETAIL CUSTOMERS OF SBERBANK EUROPE GROUP (IN THOUSAND)



life-long partnerships by making financial services personal and fast. That approach has been recognized by the customers of Sberbank Europe Group, with a Net Promoter Score (recommendation score) among retail customers reaching +30% in 2019 – exceeding the average across these markets more than

2 times over. Another result of our customer-centric approach is the growth of Sberbank Europe's active Retail customer base, which increased from 449,000 in 2014 to 728,000 in 2019.

Ensuring Quality and Accessibility of our Products and Services

Sberbank Europe aims to provide simple and transparent products delivered in an accessible manner, paying the utmost attention to safety and security. This starts with the needs of the customers and customer-centricity being the watchword behind any product development decision. Focusing on offering high-quality products and services aligned with customer needs leads to higher customer satisfaction and retention.

Two Sberbank Europe members (Banja Luka and Serbia) have already joined the prestigious international certification program ICERTIAS "Customer's Friend". ICERTIAS recognizes legal entities that have a high-quality relationship and provide superior services and support to their customers, employees and business partners.

Clear, simple and consistent interaction with Sberbank Europe is the guiding principle behind designing our customer journeys. An ongoing effort is being made to simplify the process of obtaining and accessing our banking services by increasing transparency and speed.

One very good example of transparency and speed is the instant loan offered by Sberbank Direct. The total loan volume of almost 200 million euros was achieved by the end of 2019. The instant loan, which was launched in Germany in 2018, is rated by credit comparison websites as among the most favorable. Its simplicity and quick processing also make it very appealing. Application, identification and uploading documents can be easily done online with loan decisions being made within minutes, and money transferred to the client's account within 24 hours.

Alternative Sales Channel: MAKE A CUSTOMER NOT A SALE



In 2019 50% of disbursed loan volume came from Bank@Work and Partnership sales channel.

Sberbank's main strategic approach is driven by accessibility with a major focus on digitalization. We reach customers online and offline via alternative sales channels with full product & service accessibility, and develop sales channels through product & service initiatives in local markets.

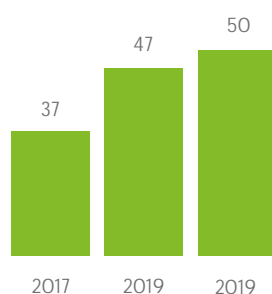
Sberbank Europe has different types of sales channels outside the branch network, such as the Partnership (co-brand Partners, Brokers, DSA) and Bank@Work* sales channels, where we can reach out to more potential customers in order to initiate Sberbank products and services out of the branch network and establish unique and special customer treatment based on customer needs through our partners. We aim to leverage our existing and new partners within Bank@Work and Partnership sales channels to find new business opportunities for future deals through our internal banking synergy. Our main focus is on new and primary customers and enhancing the customer experience with innovative products and smooth, digitalized services.

*Disclaimer: Bank@Work is Sberbank Europe's youngest sales channel that leverages relationships with existing Micro, SME and CIB customers in offering their employees salary accounts along with lucrative tailor-made products and services. Due to the wholesale approach, Sberbank Europe is able to come up with the best possible conditions and prices.

However, alternative sales channel is one of the right ways to strongly support the establishment of long-term relationships with specific companies in order to customize our banking service and product portfolio according to their customers'/employees' needs. This will help them increase their customer/employee satisfaction and engagement. The aim is to create special bundled offers where we are promoting more products, while also offering a POS with a smooth and dedicated banking process that generates higher satisfaction with strong engagement at the customer/employee level.

In 2019, 50% of the total newly disbursed loan volumes came through the Bank@Work and Partnership sales channels – and these channels have helped Sberbank Europe acquire over 300,000+ new customers since 2013.

SHARE OF NEW VOLUME OF CASH LOAN THROUGH ALTERNATIVE SALES (%)



*excluding online brokers' activity (2-10-15% in years) in Hungary

*excluding Serbia due to their reporting issue in 2017 and 2018

*only Broker channel in Czech Republic in 2019

Bank@Work and Partnership innovation 2019: highlights across the countries

Sberbank BH

Partnership launched a special and unique card sales activity campaign called 'Sberbank Wednesday'. It managed to significantly increase the number and volume of card transactions in stores of selected partners (by 13.2% YoY).

Sberbank Serbia

Sberbank Serbia was the first bank within the group to launch a branchless sales process for card sales activity. Sberbank's rapidly expanding client database, direct access to partners' loyal customers and promotion and improvement of the Bank's image in the field of new technologies and innovations – NIS and Superkartica Plus instant payment cards.

Sberbank Croatia

Launched the semi – E2E process for cash loan applications and implemented a brand-new sales channel in their market by the name of Direct Sales Agent (DSA).

Sberbank CZ

Boosted micro loan sales with the help of brokers and achieved 1.7 times more growth in 2019 than in 2017. Participated in the innovative Broker Central Education system with selected main agent companies to expand number of brokers.

Sberbank Hungary

Extended its DSA (Direct Sales Agent) activity, increased the number of agents to 40 and launched a fully branchless process for cash loans.

Sberbank Slovenia

Sberbank Slovenia developed a brand-new branch-less partner loan process (PLP) for cash loan applications. Fully paperless, digital decision-making process that allows clients to get their loans within just 30 minutes.

Sberbank Banja Luka

Launched Bank@Work Academy as a special and unique education process of banking products and services for employees. Alternative sales channels

and product development created special B@W offerings for selected segments – this is known as target market (medical/electricity/police).

Omni-channel Access and Product Innovation



Applying for personal loan without visiting a branch? Sberbank Hungary makes it possible with its video identification service.

Throughout 2019, we continued to push forward with the development of our digital channels in order to ensure the highest quality for our digital services and the accessibility of our products to customers.

Many associated digital activities & projects were either completed or started. These included:

Sberbank Serbia launched Smart Cash Loan, a completely digital cash loan of up to 3000 euros through internet & mobile banking channels and became one of the first banks on the Serbian market providing 100% digital loans. The credit rating approval and verification process takes no more than five minutes, and all contractual documentation is submitted to the client via email. Just four months after its launch, every fifth cash loan issued by Sberbank Serbia was digital.

Hungarian Sberbank customers can also apply for personal loans without visiting a branch. This service, which uses video identification, was first launched in February 2019 in pilot mode and was gradually

upgraded based on customer feedback. Sberbank is among the pioneers in the market, as only a few other credit institutions have a similar solution and expect that video ID will expand its customer base by reaching a new, younger group of loan applicants.

Sberbank BH has launched a new digital platform that enables Viber users to become customers of the bank by taking a selfie. The users need only to follow a few simple instructions given by a Sberbank BH chat box. Along with Viber, the “selfie” application process is supported by Facebook Messenger and the website of Sberbank BH.

In addition to these major digital initiatives, Sberbank also continuously upgraded the capabilities of its existing internet & mobile banking solutions to react to market trends and bring the best user experience to its customers. For example, Sberbank Banja Luka introduced “Touch ID” and PUSH notifications to its mobile banking app to increase security and ease of use. Sberbank BH has revamped its mBanking application with facelift and additional functionalities such as Face and Touch ID.

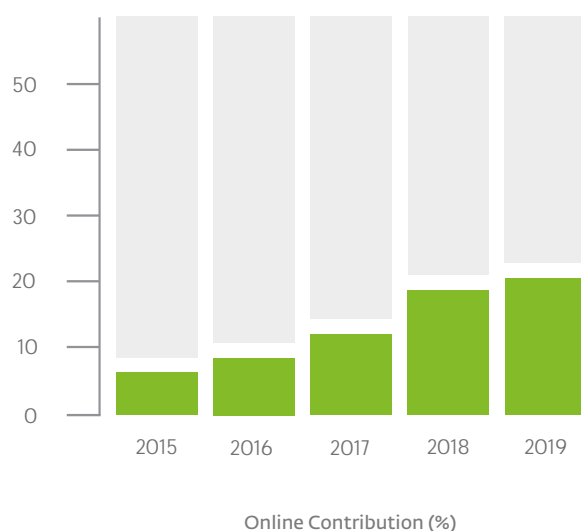
Sberbank also started a group omnichannel platform program to gradually implement new internet & mobile banking solutions, delivering a unified and seamless user experience across all channels and SBEU subsidiaries, thus increasing the customers’ engagement with Sberbank, attracting new customers and cross-/up-selling to existing customers through eze online processes.

In 2019, a pilot project was launched in Sberbank Croatia, which established an internal Digital LAB in order to bring the bank through such a digital transformation in a more active and committed way. The Digital LAB consists a dedicated agile team of bank employees and external experts who are working on the development and implementation of the bank’s strategic initiatives under the digital transformation plan.



Digital transformation in Sberbank Croatia with the help of "the Digital LAB".

**SHARE OF RETAIL PERSONAL LOANS ORIGINATING FROM ONLINE CHANNELS
(SBERBANK EUROPE GROUP)**



Sberbank will continue to develop its digital channels in 2020 much like it did in 2019.

Among other things, the SBEU Group website will be redesigned, with Sberbank Czech Republic acting as a pilot country. Sberbank Germany and Sberbank Hungary will join the group omnichannel platform to gradually replace their existing digital channels.

Sberbank Hungary and Sberbank Serbia will expand their eze online sales processes to further products, e.g. current account, respectively overdraft. And Sberbank Slovenia will also launch a fully eze online sales process based on e-Identity. Sberbank Czech Republic will launch a new multichannel platform designed to replace existing internet & mobile banking solutions.

Providing Financial Solutions to Corporate Clients

For Sberbank Europe, our customers are at the very center of all our activities. Our organization, systems, products and services are our tools. Our relationship with the customer is the soil we cultivate. We are committed to fulfilling our customers' needs and expectations.

As a bank, we constantly ask ourselves what our customers expect of us and how we can best fulfill these expectations. Our maxim at Sberbank Europe AG is to act entrepreneurially in the interests of our customers. We are eager to build long-term business relationships based on trust and common understanding. We aim to earn this trust by demonstrating expertise and flexibility in our day-to-day work.

Bridge to Russia

Sberbank Europe's parent company is one of the world's biggest banks, as well as the largest bank in Russia. This makes Sberbank Europe the natural banking partner for all companies doing business in Russia or CIS markets. Despite the challenging political environment, business with Russian companies is growing again. The availability of various raw materials as well as other products in Russia is a highly attractive prospect for Austrian and CEE companies, with the timber, paper and petrochemical industries taking particular advantage of this. As part of Sberbank of Russia, the bank with the largest customer base in Russia, we offer direct access to the Russian market. For us, Russia is another home market, and our expertise and service in dealing with Russian private and public sectors and governmental organizations reflects that.

We rely on proficient and reliable customer relationship managers with adequate scope for decision-making, who are capable of exploring customer-specific demands and offering creative solutions, based on the customers' needs and financial literacy. We endeavor to understand our customers' business needs and establish ourselves as their long-term financing partner.

As a newcomer to the CEE/SEE banking market, we are committed to working with our customers to develop flexible, tailor-made solutions. With a stable ownership structure and a solid funding and capital base, Sberbank Europe is well equipped to take on this role.



Team of Sberbank Europe AG at WKÖ Exporttag the largest trade finance fair in Austria.

With a network of banks covering eight countries in Central and South-Eastern Europe, Sberbank Europe offers end-to-end services for companies looking to do business and roll out projects in these growing markets.

We at Sberbank Europe aim to support our customers by acting as a bridge between the CEE/SEE region and the diverse Russian market with the vast opportunities it offers.

It is often mainly the CEE customers who maintain business links to Russia and are long-standing clients of Sberbank Europe's local CEE banks. Not only do the local banks know their own markets inside out, they also understand the potential for business with

Russia and have extensive experience in setting up and supporting foreign trade deals. Sberbank in Hungary specializes in guarantee business, for instance, while the Czech Republic is focusing on structured financing and FX & interest hedging. Slovenia and Croatia are particularly strong at servicing medium-sized businesses, while our Serbian and Bosnian banks are a special bridgehead for the financing of trade with Russia.

Cooperation with CEE

As the head office of the Sberbank Europe Group, Sberbank Europe AG acts as an agent for joint deals in the countries we cover. The corporate finance team of Sberbank Europe AG is both generating new transactions and coordinating joint financing with subsidiary banks, while also taking direct financing stakes in bigger transactions of subsidiary banks. Our business model is set up to utilize our full

potential as a banking group acting in several markets in CEE countries. Our Group has established different platforms for interacting and communicating about business opportunities. By using group synergies, we are following an efficient business concept designed to share competencies. We work in joint teams and serve cross-border clients to support local business in the countries in which we operate.

Single point of Contact

For this reason, Sberbank Europe introduced the role of "Parent Account Manager" within its European banking network as early as 2017. These are specialists who act as the single point of contact for a particular group of connected customers. Many of our corporate clients are part of large international corporations, with group operations in various countries. We service our clients across national borders in accordance with our "one face to the customer" principle. The major advantage for the customer lies in having a single contact who can guide them through the entire Sberbank Group,

no matter which of our countries of operation they approach us in.

This principle is also crucial to our role as a bridge, which is all about targeting new clients and offering them our support in their business relationships between CEE and the Russian market. The Parent Account Manager acts as an entry point, outlining the possibilities available within the Group. This approach gives us a better overview of our clients and their needs, while also improving our cost and resource efficiency.

Our Service: Offline and Online

Following the trend of digitalization within the banking industry, Sberbank is aiming to offer its customers the best service not only offline but also online. We provide online banking for all new customers opening a current account.

The average rate of online banking users among corporate clients within the Sberbank Europe Group is steadily growing. In our Slovenian subsidiary, the percentage of online banking users is already close to 100%.

Regional Impact

With a presence in eight markets in Central and Eastern Europe and a wide range of banking products and services offered by its subsidiary banks, Sberbank Europe contributes to the macroeconomic growth and prosperity of the region and its society. The bank has set itself the ambitious goal of fostering the growth of these emerging markets. More than 90% of all corporate customers of Sberbank Europe operate within the core markets of the Sberbank Europe Group. In our subsidiary Sberbank BH, 100% of customers are local companies. According to the main macroeconomic parameters, the economic development of the countries in which the Sberbank Europe Group operates was still positive in 2019 – as in the years before – and the real economic growth far exceeded the EU's average. Although slowing down when compared to 2017 and 2018, GDP growth in our countries of operation is among the best in the world and faster than in most regions of the world. Growth in our region was at a 30-year high in recent years, with Hungary, for example, reaching close to 5%, which is comparable to growth in Asia Pacific. Whereas Western Europe's GDP growth was at 1.1% in 2019, core CEE regions grew by 3.7%, and South-Eastern Europe by approx. 3.5%. With high employment and low inflation, real wages grew very strongly in our markets, which also stimulated private consumption. Retail sales are among the highest recorded for 10-15 years, and corporate confidence levels in most of our countries are also the best they've been in 15-20 years. Industrial output was at a near 20-year record in most countries. All in all, we see an economically successful and politically stable environment in the countries where we are operating in our corporate segment.

In the following overview, we want to highlight some concrete examples to illustrate the corporate banking business of the Sberbank Europe Group and the regional impact of our financing activities:

Sberbank Slovenia contributed 18 million euros to a 120-million-euro syndicated loan to Energetika Ljubljana, the main heat and gas supplier of the city of Ljubljana. The purpose of the investment was to change two coal turbines and install a gas turbine to reduce coal consumption and CO₂ emissions.

One example of successful group financing was the senior secured loan worth 45 million euros and revolving facilities that Sberbank CZ and Sberbank Hungary offered the Gefco Group – one of the top 10 transport and logistics groups in Europe, currently regarded as the world leader in automotive logistics and a benchmark in industrial logistics as a logistics subsidiary of Russian Railways also active in the CEE markets.

Sberbank CZ contributed a 10-million-euro ticket to a syndicated loan facility for Maxion Wheels, supporting the European and CEE market activities of the leading international manufacturer of automotive wheels and structural components. One of the three co-borrowers under the facility is the Czech outlet of Maxion, a producer of cast aluminum and steel wheels for passenger cars and forklifts.

Sberbank Croatia contributed to a syndicated 85-million-euro loan with a 7-year tenor awarded to Mlinar, the leading Croatian baked goods manufacturer and retailer that operates a network in Bosnia and Herzegovina, Slovakia, the United Arab Emirates, Malta, Australia, Hungary, Germany, Oman, Pakistan and Switzerland. It manufactures over 170 million products annually.

Sberbank Europe AG contributed 25 million euros to a 225-million-euro syndicated senior loan for Alvogen, which is the CEE component of a well-established pharma company with active across Central and Eastern Europe and the Commonwealth of Independent States (CIS). The company has a very wide footprint, covering 28 countries across the region, 14 of which have direct front-end operations. Alvogen has a product portfolio of approx. 250 complex molecules, branded generics, biosimilars and OTC ("over the counter") products. The funds were utilized to refinance capital expenditures and existing debts, providing liquidity as well as financing the general purposes of the company.

Sustainable Industries and Responsible Financing



The Sberbank Europe Group strives to have positive impact on the environment.

The Sberbank Europe Group's aim is to have a positive impact on the environment and thus finance customers that operate within sustainable industries. Sberbank Slovenia and the Tep Solar Group have agreed on a new long-term loan of 4.5 million euros. By financing the Tep Solar Group, one of our most valuable SME clients, we are supporting the development of renewable energy technologies in Slovenia. Our client can now focus on new projects in the solar power industry. The Tep Solar Group operates nine solar power plants in Slovenia with a total production capacity of 2,802 kW. All power plants have contracts with Borzen, the largest state-owned Slovenian electricity operator.

It is of paramount importance for Sberbank Europe to know the client with whom it is establishing a business relationship or conducting a financial transaction. It has a comprehensive, group-wide policy in place which defines the objective, key elements and tasks involved in the prevention of money laundering and terrorism financing within Sberbank Europe. A "Know Your Customer" process has been developed to properly verify the identity of clients, understand their business activities, their funding sources and their motivation for pursuing a business relationship with Sberbank Europe. All relevant information must be documented to ensure the accurate analysis and identification of any suspicious behavior.

The internal policy describes the importance of mitigating the risks of money laundering and outlines group-wide standards for doing so. These standards include but are not limited to client identification and acceptance, transaction monitoring, periodical review, exit and freezing procedures and reporting obligations. The policy is regularly updated in line with EU and national regulatory standards and requirements.

In 2019, the policy was reviewed against sustainability aspects, in particular with regard to the risk assessment of industries and products.

Employees

The strategic goal of Human Resources is to attract, develop and engage talented employees with a pioneering spirit in order to provide the best possible service to our customers. The Sberbank Europe Group

puts a strong emphasis on learning and development, fostering the health of its employees, guaranteeing fair and market-oriented remuneration, and living and promoting diversity.

Employee Health & Wellbeing



One of the most popular event throughout the whole Sberbank Group: SBERBANKIADA.

Helping employees stay healthy by promoting an active, healthy lifestyle is a huge priority for Sberbank Europe AG, with a group-wide target of offering employees in each country at least two such health-related activities per year. This target was met, as there were on average six of these activities per country in 2019. The Group's Headquarters offered the most activities in 2019, with twelve health-related events, mostly organized by the Works Council. These included health days (with a wide variety of things on offer, including stress analysis with bio-feedback, fitness scale measurement, back checks, etc.), medical examinations such as yearly medical check-ups, vision screenings and melanoma checks, medical consultations on ergonomics and occupational medicine, vaccinations and in-house psychological counselling.

On average, each health-related activity in the Group had an attendance rate of over 70 employees in 2019.

Flexible working hours are offered at the Headquarters in Vienna and at Sberbank Bosnia and Herzegovina, Sberbank Croatia and Sberbank Slovenia (except for the branches). Sberbank Slovenia has also introduced a home office option for B-1 managers as a pilot.

In 2019, the Group's average ratio of sick leave days to total working days was quite stable at 3.4% compared to 3.3% in 2018. Sberbank Serbia had the lowest sick leave rate with only 2.1% in 2019.

Sberbank is convinced that frequent sports activities also contribute to a healthy lifestyle. At the Headquarters, activities in the health & fitness clubs are partially subsidized for employees, and there are several fitness clubs with discounted corporate rates available for employees. The Works Council also frequently organizes sports activities such as football and badminton.

What's more, Sberbank Europe's employees engaged once again in a variety of sports events in 2019, including running at the Bank Cup of the Czech Banking Association, participating in the volleyball tournament at the annual Banking Sport Games in Poreč or in the Sberbank Open Tennis Championship in Belgrade. In addition, the annual sports event "Sberbankiada", which promotes sports activities as an integral part of a healthy lifestyle, was held in Minsk, with Sberbank Europe employees competing in tennis, table tennis, badminton, swimming, running and chess.

Talent Management and Learning & Development

Sberbank Europe's mission is to be an organization that prioritizes continuous learning, offering employees the possibility to grow within the company and reach their strategic goals. With this in mind, Sberbank Europe fosters the development of its employees' core competencies, skills and knowledge. On average, each employee in the Group had 1.6 days of training in the year 2019. Performance talks are also an important aspect of development, which is why each employee in the Group has at least one appraisal with his or her manager per year.

Knowledge management through sharing and fostering internal expertise and skills is part of the bank's training strategy. The Sberbank Europe Group held group-wide workshops in 2019, such as a security workshop about cyber security, a procurement workshop about negotiation techniques and an ALM workshop about regulatory updates in Vienna as a knowledge and best practice sharing opportunity within the Group. Furthermore, the Bank@Work and Partnership teams gathered for a three-day Group workshop at the Lake Balaton to get to know each other, share local and channel-specific experiences and further expand their professional knowledge.

In Vienna HQ, the "Sharing is Caring" initiative, in which employees present a topic of their expertise in a workshop to other employees, was continued, with topics such as efficiency boosting techniques, scrum and coaching. Additionally, the Headquarters continued to provide language courses in Russian and German alongside a variety of different professional training opportunities on an individual basis.

Sberbank Slovenia organized a training course on project management for its employees. The goal was to stress the importance of project management and develop project management skills among its employees. Over 20 colleagues from Sberbank Slovenia's head office attended the course.

Also aiming to encourage creativity and team spirit, Sberbank Bosnia and Herzegovina organized a strategic workshop for its B-1 managers at the Tarčin Forest Resort near Sarajevo. The participants were split in five working groups and brainstormed topics



Team of Sberbank Europe AG at the Career Calling 2019.

related to the strategy of the bank. In the end, all group representatives had one minute to present their ideas in the "Sberbank Ring" with a boxing bell marking the end of each round, and the Management Board had to decide the winner.

In order to attract young professionals for internship and junior positions, Sberbank Europe AG's Headquarters participated in the annual "Career Calling", Austria's biggest annual careers fair, for the sixth consecutive year. Sberbank Bosnia and Herzegovina made its seventh consecutive appearance supporting the CEO (Career, Entrepreneurship, Opportunity) project initiated by the Sarajevo School of Economics and Business. At this motivational event for young people, renowned speakers, businessmen and entrepreneurs shared their success stories. Sberbank Bosnia and Herzegovina shared its experience and knowledge with students by giving lectures and offering internships.

On average, 60% of new hires across all subsidiaries belong to Generation Y (i.e. born between 1981 and 1995). Being able to offer employees the opportunity to grow within the company is hugely important to Sberbank Europe AG: On average, 20% of all vacant positions in the Group could be filled by internal candidates; at Sberbank Banja Luka, as many as 35% were filled by internal candidates.

The voluntary fluctuation rate in the Group in 2019 was lowest at Sberbank Slovenia and Sberbank Bosnia and Herzegovina at just 9%.

Remuneration & Fair Income

The Sberbank Europe's Group remuneration strategy aims to reward performance, competence, long-term results and commitment based on an appropriate mix of fixed and variable compensation, reflecting market standards.

Driven by the pay for performance principle, the Sberbank Europe's Group remuneration policy combines Group strategy and employee behaviors in an environment where competence and leadership are the main focus. Salesforce incentive schemes linking crucial retail business strategies and regulatory background in an easy and transparent way.

Ensuring fair and market-oriented remuneration for employees while being able to measure the company's competitiveness are key to Sberbank Europe. That's why, in 2019, Sberbank Europe Headquarters continued to participate in an annual benchmark of its employees' remuneration, as did Sberbank Czech Republic and Sberbank Serbia.

Once again, the Group managed to complete the bonus process in 2019 (for the performance year

2018) earlier than in previous years.

The employees also received a variety of benefits. At the Headquarters, Sberbank Hungary and Sberbank Serbia, employees are offered diverse discounts for local shops and services. The public transportation ticket is fully – or at least partially – sponsored by the company across the majority of the Group.

In Vienna, in addition to the organization, the Works Council also contributes financially to regular sports activities such as football, badminton, sailing and skiing. The meals at the canteen as well as cultural activities in the opera house, theatre, ballet and cabaret programs are also partially subsidized.

At Sberbank Bosnia and Herzegovina, there is a New Year's bonus for employees as well as New Year's gifts. An event is also organized for children of employees. What's more, employees who have a baby receive gifts from Sberbank Bosnia Herzegovina and Sberbank Slovenia.

Employee Involvement & Engagement



Sberbank Europe AG employees enjoying summerparty at Viennese "old Danube" organized by Sberbank Europe AG in cooperation with Works Council.

The Sberbank Europe Group considers teambuilding as a vital part of employee motivation and engagement, as it increases team spirit and strengthens corporate culture. Consequently, there were, on average, at least nine informal employee events held in each subsidiary in 2019. The Works Council of Sberbank Europe AG in Vienna continued to organize birthday parties for employees each month, offered

popular sports events as sailing and ski trips, bowling and ice skating, as well as "Discovering Austria" excursions, which included sightseeing, hiking and culinary experiences. Sberbank Slovenia organized teambuilding events, summer and autumn gatherings, a picnic next to the river Ljubljanica as well as a New Year's party.

Sberbank believes that involving ideas from employees is vital to improving the organization. That's why Sberbank Czech Republic has launched "Idea Box", an intranet portal where employees can share their ideas for improving client or employee satisfaction, generating more revenue and cutting costs.

Some 80 ideas have already been submitted for general discussion. The management of the bank evaluates all ideas on a quarterly basis, rewarding the best ones and supporting their implementation. One short-listed idea was a winter challenge which

encouraged employees to pursue healthy lifestyles and build team spirit. A total of 36 participating employees took part in walking, cycling, skiing and doing circuit training with their results recorded, covering 8,113 km in less than nine weeks.

Sberbank Croatia organized a “Family Easter Day” in its Headquarters in Zagreb. As part of a creative workshop, children of Sberbank employees had a lot of fun

painting Easter eggs. All paintings were published on the internal portal and Facebook page of Sberbank Croatia (garnering 22,000 views and over 400 comments within just 24 hours), where people could vote for their favorite works. The most liked entries were displayed on the bank’s official Easter greeting card. All the young artists received small gifts, while the most creative ones received a Sberbank Creative Kids Award.

Diversity & Equal Opportunities

Sberbank Europe AG believes that diversity and inclusion encourage plurality of perspectives, foster innovation and contribute to an engaging working environment. The variety of the more than 30 nationalities working at Sberbank Europe’s Headquarters in Vienna reflects the cultural diversity of Sberbank Europe’s eight markets. Two thirds of the total workforce at the Headquarters have a foreign citizenship.

When it comes to appointing senior executives, the Sberbank Europe Group aims to have at least one female manager in every Management or Supervisory Board of the countries it covers. This

was achieved throughout the Sberbank Europe AG Group (with the exception of Sberbank Croatia and Sberbank Czech Republic). In the case of B-1 and B-2 level managers in the Group, there were, on average, nearly 50% female managers in 2019.

73% of Sberbank Europe AG – including the Headquarters, subsidiaries, branches – is barrier-free. Our Headquarter in Vienna and Sberbank Slovenia are 100% barrier free.

There were no reported complaints of discrimination in 2019.

Environment

Enhancing Energy Efficiency at Sberbank Europe

Since our shareholder Sberbank of Russia considers the acquisition of VBI (now known as Sberbank Europe) in 2012 as a long-term investment, all our areas are focused on achieving long-term success through socially and ecologically responsible behavior. As a result, a careful and sustainable use of natural resources is very important to us.

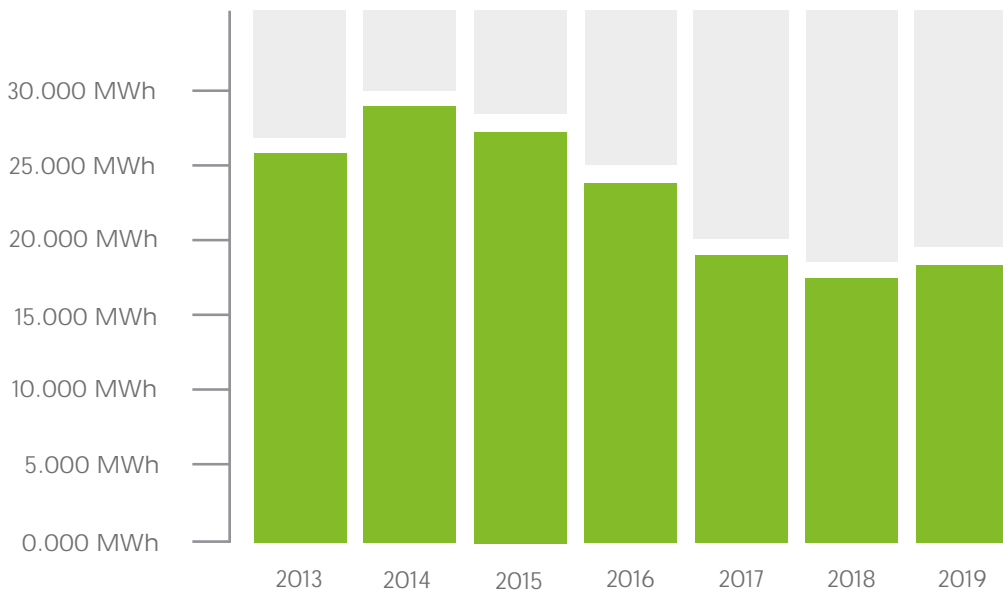
Even though the direct ecological impact of banks in general – and Sberbank Europe in particular – may be limited, our group is committed to reducing its consumption of natural resources.

Some of the main sources of Sberbank Europe’s environmental impact include our infrastructure facilities, expendable materials as well as vehicle and aircraft business trips. To minimize any negative impact

it has on the environment, Sberbank Europe controls the use of resources and takes actions to improve energy efficiency and reduce our ecological footprint. An important step to secure this strategy was taken by including energy efficiency as one of the selection criteria for new technical devices (computers, mobile phones etc.). These criteria are defined in the purchasing policy of Sberbank Europe. The procurement and cost management department at Sberbank Europe, which acts as an interface in the approval process of all expenditures within the banking group, checks all selection criteria prior to official approval.

All employees are required to use any resources provided by Sberbank Europe in a meaningful and economical manner in their daily work. Since attitude alone does not guarantee success, we have set

SBERBANK EUROPE AG TOTAL ENERGY CONSUMPTION



internal sustainability goals (ISGs) which are monitored on a yearly basis by the steering department of Sberbank Europe. Since energy is the resource a bank uses the most, the first step was to set the ISG in that area. Despite the challenge deriving from additional energy needs as a result of internal digitalization processes, Sberbank Europe surpassed its target

to decrease its energy consumption by 20% by the year 2020. The reduction in energy consumed from 2013 to 2019 has been approximately 61%. In terms of fuel consumption, SBEU reduced its consumption by 7% from 2018 to 2019, resulting in a 25% reduction between 2013 and 2019.

ENERGY CONSUMPTION BY SUBSIDIARY BANK

	SBEU	SBAT	SBBH	SBBL	SBCZ	SBDE	SBHR	SBHU	SBSI	SBRS
2013	25,764	160	1,820	2,289	8,960	0	5,237	5,119	952	1,227
2014	28,554	519	2,160	3,200	7,930	11	3,911	8,346	1,046	1,431
2015	27,576	513	2,304	2,970	8,540	58	3,495	7,357	1,081	1,258
2016	24,249	512	2,438	3,750	4,987	59	3,300	6,737	1,181	1,284
2017	18,914	528	2,090	3,376	4,811	24	3,370	2,538	899	1,278
2018	18,470	529	1,923	3,563	4,787	23	3,203	1,900	952	1,590
2019	18.820	512	2.154	3.332	4.704	20	3.160	1.850	1.045	2.044

*Figures in MWh

In order to reduce our ecological footprint, Sberbank Europe is collecting best practice models from all

affiliated companies and sharing the best ideas and success stories within the group.

Our New Properties



Belgrade Borska branch

In 2019, Sberbank Serbia refurbished one of its branches in Belgrade and relocated another. The external and internal lightning system uses LED. In addition, the energy management system supports an energy saving mode during the times when the branches are closed.

Our Best Practices

In all countries in which Sberbank Europe operates, the facility management department publishes regular notifications to all employees in order to increase their awareness of the impact they're having on the environment. Sberbank Serbia, for example, puts framed posters in its offices to increase employee awareness of the need to save water and energy.

In Croatia, Slovenia and Hungary, we have invested in new LED lights and new energy-efficient



Branch in Tuzla using LED.

electrical devices. In Croatia, we have even equipped lots of devices with automatic shutdown systems.

Printing Management

Since entering the market, we at Sberbank Europe have been in the process of continuously improving our internal procedures in order to become faster and more efficient for our customers. For us, that also means saving paper wherever possible. Some of our departments are already only using paper for legislative and reporting documents, keeping all other documents fully digital. Sberbank Europe AG has implemented a computer-aided facility management (CAFM) software that will almost eliminate all printed paper in the area of facility management. This solution was rolled out throughout the group in 2019.

An optimized printing management system does not only save paper. It has a substantial influence on toner waste and energy consumption. That's why we decided to give up the luxury of having a designated printer for each office, or each employee, and replaced all office printers with multifunctional printers whose energy efficiency classification falls under category "A" energy efficiency.

Brighten our Environment

Sberbank Europe is replacing old luminaires with high-end LED lighting solutions supplied by a well-known market leader who is certified to ISO 14001. What's more, the bank and the supplier are working together on lighting plans and light management in order to achieve the highest possible efficiency. Purchasing high-quality products does not only have the advantage of reducing energy consumption. It also guarantees that they are manufactured in line with the ISO 9001 standard, with a reliable product quality. This is important because fewer technical services are needed, meaning we also save on the fuel and production resources that would have been required otherwise.

Sberbank Serbia has replaced its previously standard energy supply with 100% green energy.



All employee applications are set to print in duplex and in black and white by default. This setting is restored after every reboot. Furthermore, the facility management department

regularly highlights the importance of employees' individual printing habits in its newsletter.

Sberbank Europe AG only purchases Green Star-certified paper with the "EU Ecolabel". The "EU Ecolabel" for printed paper signifies a low level of air and water pollution during the paper production and printing process as well as reduced environmental damage or risks related to the use of hazardous chemicals.

Sberbank Bosnia & Herzegovina in Sarajevo introduced a reporting system in 2018 regarding the printing habits of individual employees. The reports are sent once a month and provide information on the sheets printed for the previous period to raise awareness of the impact each individual has.

One important step we took was using the LED technologies for the bank's exterior signs and logos. These signs are produced centrally by a competent partner, who is always adapting the materials used in order to meet the latest market standards. The resulting savings for the group were significant, as using LED technology is part of Sberbank Europe's branch network guidelines.

Awareness Campaigns

The main driving forces behind a successful energy and resource management system are the real estate and facility management departments in Sberbank Europe's subsidiaries. Aside from the technical measures introduced, the bank's subsidiaries regularly provide all colleagues with information about sustainable principles and ecologically responsible behavior as well as targets achieved by our various entities. Sberbank Europe extended this practice in 2018 by

regularly informing employees about how they as individuals could adopt ecologically responsible habits in their everyday lives. Sberbank Europe's resource management teams in all countries covered by the bank are urged to regularly screen the local market for renewable energy sources. Sberbank Europe is aiming at gradually replacing conventional energy sources with alternative and "green" solutions.

Mobility and Travelling

For Sberbank Europe employees, our responsibility to our environment starts at home. The bank encourages employees to use public transport by offering a free yearly ticket to employees in our Vienna head office. Furthermore, Sberbank Europe provides a

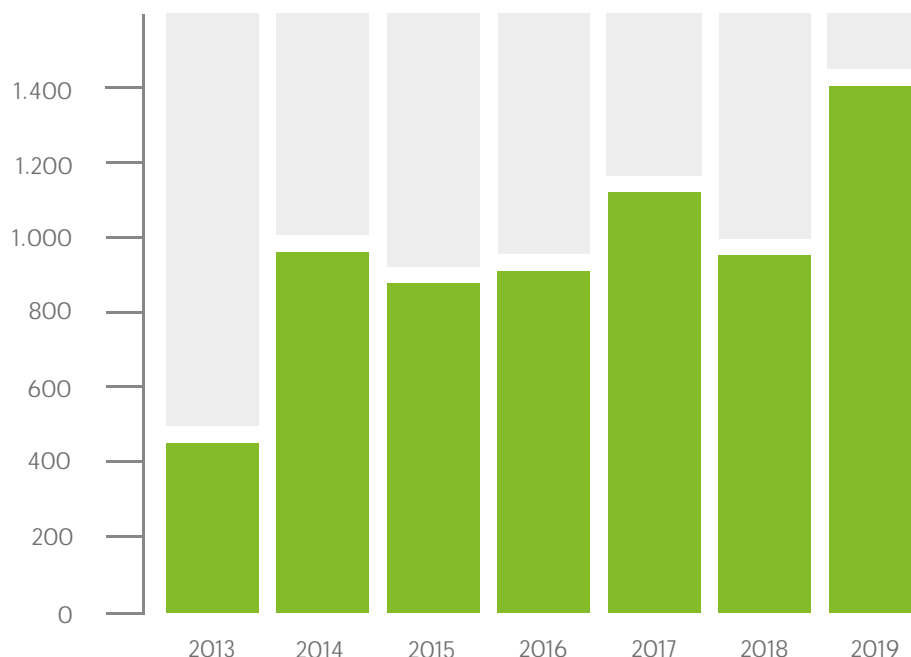
bicycle room in all its headquarters to motivate its employees to use bicycles instead of cars, contributing to a reduction of CO₂ emissions and to a healthy lifestyle.

Travel Management

The best way to limit emissions on business trips is to avoid them in general. That's why Sberbank Europe has been using a sophisticated video conference system in all its subsidiaries. Furthermore, the bank

uses "Skype for business" for all employees in order to enhance direct communication between employees and customers without increase its CO₂ footprint.

SBERBANK EUROPE AG - BUSINESS TRAVEL DEVELOPMENT IN BUSINESS DAYS



For inevitable business trips, Sberbank Europe has implemented a group-wide travel policy that is designed to keep the number of business trips taken as low as possible.

Each business trip needs to be checked against economic efficiency, safety, environmental awareness, health risks and ecological impact. Short-distance flights below 300 kilometers are not allowed. Those destinations are to be reached primarily via train, while public transport must be used for a business trip within an urban area or for the journey to the airport. The superior line manager is responsible for monitoring compliance with these guidelines and has to approve the business trip using an IT tool. In order to avoid commuting at the business

trip destination, Sberbank Europe provides a list of recommended hotels, which are within walking distance of the regional headquarters. To further reduce the amount of CO₂ emission caused by business trips, Sberbank Europe will reinforce its current energy efficiency approach by constantly looking for further improvements.

In 2019, Sberbank Europe expanded in several areas and took on many large projects. As a result, both the number of travel days and the number of flights increased. Thanks to these ongoing initiatives, both the distance covered by the flight and the resulting CO₂ emissions were kept at the same level.

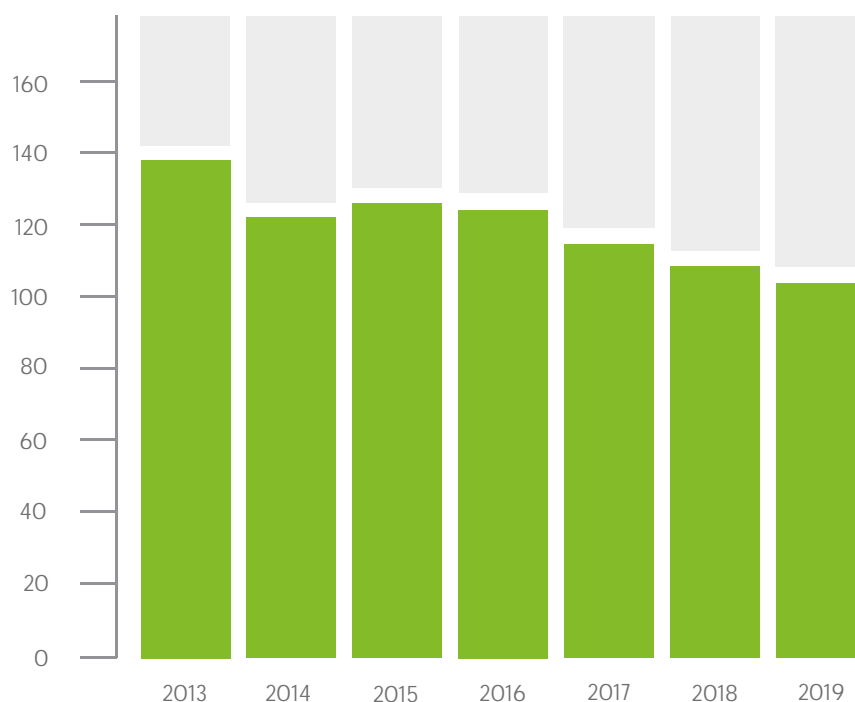
Car Fleet Management

In the first two years after the acquisition of VBI, the bank's fuel consumption per employee increased. Thanks to increased efficiency in the usage of company pool cars, Sberbank Europe was able to decrease the total number of cars and the fuel consumption in the group. The bank is implementing an iterative process for identifying further reduction potential in order to reach our ISG. Due to a reduction in our car fleet, our fuel consumption per car has increased

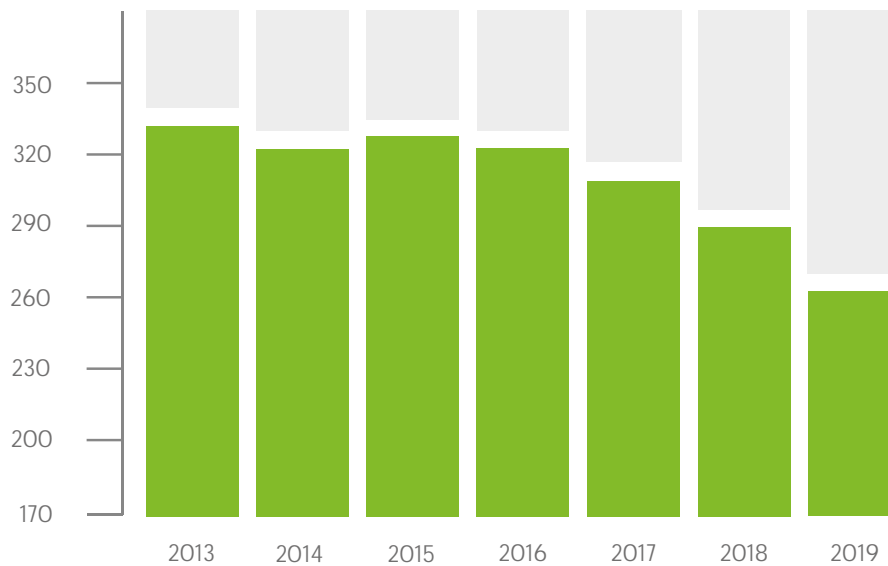
in the last year. At the same time, the CO₂ footprint decreased as a result of a lower overall volume of emissions.

In the year 2019, Sberbank Europe endeavored to optimize its car fleets in all countries, which resulted in a 10% reduction in the total number of cars. The overall fuel consumption decreased by 8%, and the fuel consumption per employee went down by 17%.

SBERBANK EUROPE AG FUEL CONSUMPTION PER EMPLOYEE DURING BUSINESS TRIPS (IN LITRE)



SBERBANK EUROPE GROUP CAR FLEET DEVELOPMENT (BY NUMBER OF CARS)



In 2019, Sberbank Europe downsized its car fleet by another 27 cars.

Initiatives

For a long time, it was unfortunately not possible for us to switch to e-mobility because the corresponding infrastructure was not yet available. That changed last year, and we are proud to have our four first elec-

tric cars in our fleet in Hungary, the Czech Republic and Bosnia. Sberbank Europe is planning to expand its e-car fleet in the coming years.

Environmental Aspects in the Employee Restaurant of Sberbank Europe AG

SV (Austria) GmbH provides daily catering in the employee restaurant at Schwarzenbergplatz 3 our Vienna head office. SV Austria is actively committed to taking a conscious approach to the environment and its resources. A great deal of emphasis is placed primarily on the areas of purchasing, waste disposal and separation, energy and cleaning agent consumption, and the continuous improvement of environmental performance through ongoing employee awareness measures.

Great attention is paid to regional and seasonal purchasing, the continuous development of our vegetarian and vegan options by adding new, innovative recipes as well as regular promotional weeks. In November 2019, visitors to the restaurant were able to embark on a culinary journey to discover the sheer variety of Austria's vegetables as part of our "Superfood" promotional week. Furthermore, SV (Austria) GmbH avoids using plastic by serving their freshly made fruit shakes in take-away cups made from corn starch.

Ethics & Compliance

Sberbank Europe's framework of guidelines, procedures and standards aims to ensure that the behavior of our employees as well as that of our business partners is compliant with the law. All necessary Compliance/AML guidelines, including the Code of Conduct, are in place and fully in line with the latest regulatory requirements and standards within the financial service industry. Moreover, in order to facilitate proper business relationships, our business partners (e.g. service providers, suppliers, etc.) are made aware of this document prior to engagement. In order to ensure consistent compliance management, the Group Compliance/AML department maintains a close and continuous cooperative relationship with all internal and external stakeholders as well as the Compliance Offices within the Sberbank Europe Group.

The Code of Conduct is considered to be of the utmost importance and shared with all Sberbank Europe employees. Furthermore, Sberbank Europe updates the Code of Conduct on a regular basis in order to ensure the latest regulatory regimes are implemented. The document has been published both on the Intranet and on the company's website, thus increasing the transparency and accessibility of the institutions' compliance-related rules.

Sberbank Europe gives its employees the opportunity to report their bona fide concerns either anonymously or non-anonymously via a powerful whistleblowing tool. The tool allows our employees to voice their concerns in a responsible and effective manner when they discover information or behavior which they believe exhibits serious malpractice. This whistleblowing mechanism is designed to support Sberbank Europe's zero-tolerance policy towards irregular practices, financial crime, fraud and corruption.

Among the main assets of a financial institution are its integrity and trustworthiness. With that in mind, Sberbank Europe implements, monitors and updates various processes in order to ensure that

our employees adhere to the rules, principles and standards of corporate ethics when making daily business decisions. In 2019, the Group Compliance/AML department successfully implemented another internal campaign focused on raising employee awareness of compliant behavior at the workplace. The key issues of money laundering, bribery, transparency, accepting gifts and third-party invitations were raised throughout the campaign. During 2019, the Compliance/AML Department continued periodically informing employees about the most relevant regulatory and internal policy updates by means of quarterly newsletters.

Sberbank Europe invites all its employees to participate in regular compliance training in order to gain knowledge about the compliance-related duties and responsibilities of each individual within the institutions' professional environment. The compliance-related training courses cover anti-bribery, anti-corruption and compliance awareness topics, which are designed to provide a solid basis for our employees to maintain the highest standards of ethics and integrity. In the past year, the Compliance/AML departments of Sberbank Europe AG organized over 400 classroom and web-based trainings on Group level, with 40% of the trainings being focused on Compliance-related topics, 36% discussing AML issues and 24% highlighting Sanctions subjects. In the upcoming years, the Compliance/AML department will continue offering both classroom and online training in a variety of topics deemed appropriate in order to maintain a suitable level of understanding.

Anti-money laundering (AML) is recognized as one of the most important tasks of Sberbank Europe as a financial institution. The AML efforts have been strengthened by the introduction of various initiatives, e.g. the new group-wide AML system for transaction monitoring since the launch in 2018. During 2019, the Compliance/AML department observed a 36% drop in the number of AML related audit findings.

Respect of Human Rights

Sberbank Europe recognizes the importance and universality of human rights. We fully support the fundamental principles established in the Universal Declaration of Human Rights, the Convention for the Protection of Human Rights and Fundamental Freedoms, the declarations and conventions of the International Labour Organization and other international documents in the field of human rights. Our agreement with those principles is reflected in our internal organizational structure, processes and internal guidelines as well as in our actions towards our colleagues, customers, partners and other parties with whom we cooperate.

One of our main priorities for 2020 is to develop human rights procedures within the Sberbank Europe AG Procurement department. According to this plan, all potential suppliers taking part in future tender processes will be invited to declare that their internal procedures focus on aspects relating to human rights, such as respecting employees, adapting applicable legal frameworks on wages and working hours, allowing employees to freely organize or join associations for the purpose of collective bargaining as provided for by local law, prohibiting discrimination, harassment and retaliation.

Security and Data Protection at Sberbank Europe

Security and data protection are among the highest-ranked priorities of Sberbank Europe as a financial institution. A team of dedicated employees covering different functional areas is responsible for maintaining a high level of security standards in the areas of physical security, IT and information security, data protection, business continuity and crisis management.

In 2019, the security and data protection departments at the Vienna Headquarters as well as the subsidiaries developed bespoke training programs to spread awareness and knowledge in the field of security and data protection. In the aftermath of the introduction of the General Data Protection Regulation (GDPR) in 2018, the concept of personal data protection has gained momentum and currently represents an important target for all companies. Sberbank Europe AG considers the protection of personal data to be a top priority that must be brought to the attention of all employees, at all levels. Starting from the members of the Management Board, all employees at Sberbank Europe AG received adequate training and information on the GDPR's main concepts and procedures as well as the consequences deriving from non-compliance with the regulation. In 2019, a group-wide project was launched, aimed at introducing binding corporate rules (BCRs) among the various members of the Sberbank Group. The introduction of the BCRs clearly represents a step towards more effective management of personal data within the Group. The protection of personal data cannot be achieved without a proper security infrastructure aimed at avoiding cyber incidents and potential data leaks. At Sberbank Europe AG, the security and data protection teams cooperate with all other units and

business departments in order to prevent data losses. This is done through constant awareness campaigns, aimed at increasing the employees' consciousness and their awareness of the risks associated with their activities. In particular, these are geared towards employees who have direct contact with customers and external business partners, as they might fall victim to fraudulent activities. Special plans to raise awareness are designed and implemented just for them. Alongside these awareness campaigns, countermeasures have been introduced to guarantee the protection of data from a technical perspective.

Sberbank Europe's networks and infrastructures are constantly subject to penetration tests in order to identify potential vulnerabilities and to eliminate them. Technical countermeasures such as data loss prevention (DLP) tools, security incident and event management (SIEM) and mobile device management (MDM) solutions are part of the daily activities designed to guarantee an adequate overview of the traffic on the networks and infrastructures, signaling potentially risky activities.

In the area of business continuity and crisis management, strategy and frameworks have been established in the Group and are being regularly reviewed to meet regulatory and market standards. Business impact assessments (BIAs) are performed on a regular basis to identify critical processes and resources. Business continuity plans are developed and tested to ensure the necessary countermeasures are in place. Real-life crisis management exercises have been carried out in the form of simulations in several banks throughout the Group. Security and data protection will remain a top priority for Sberbank as it moves into the future.

Charity and Sponsorship

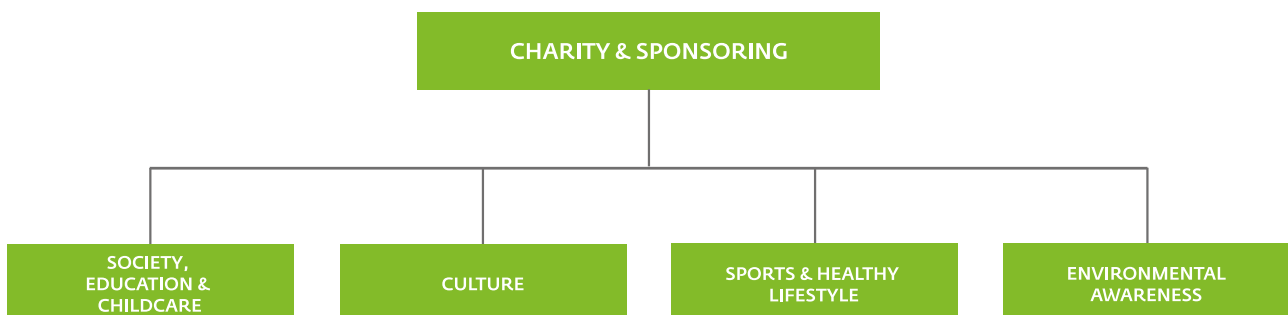
As a socially responsible and locally relevant financial institution, Sberbank Europe is committed to supporting social and cultural activities as well as encouraging its employees to personally engage in terms of environmental awareness.

Sberbank Europe puts great emphasis on the development of projects that are of social significance to the regions in which it operates and the respective market.

The banking group aims to continue its tradition of promoting a healthy lifestyle and supporting key regional sports activities.

Moreover, Sberbank Europe supports regional projects and initiatives that have a social or cultural dimension.

SBERBANK EUROPE FOCUSES ITS SPONSORSHIPS, CHARITY AND ENVIRONMENTAL ACTIVITIES ON 4 MAIN PILLARS:



In 2019, Sberbank Europe Group supported and organized over 50 different initiatives, projects and activities in the countries in which it operates. The support was provided either through direct financial

aid, the donation of goods, equipment and services, or corporate volunteering. The following chapters describe the main activities and highlights of the past year.

Society, Education and Childcare

Sberbank Europe aims to support socially important projects and help local communities prosper. We believe that being consistent in pursuing socially

responsible endeavors is the key to a better and brighter future.

Social Responsibility



Sberbank Europe AG employees showing social responsibility by donating blood for the Austrian Red Cross.

Employees of Sberbank Europe AG donate blood.

In early 2019, employees of the bank supported the initiative for the first time. Employees of Sberbank Europe AG responded to the Works Council's call to donate blood to the Austrian Red Cross. The donation took place at the Red Cross Blood Donor Center in the 4th district of Vienna, where employees were brought by shuttle service. The Works Council thanked all the donors with vouchers for lunch in the corporate canteen. In addition, a gift basket with organic delicacies was raffled off among the donors. As the participation of employees was surprisingly good, the initiative was repeated a second time in the fall of 2019 and will most likely become a tradition at Sberbank Europe for years to come.

Sberbank Banja Luka helps local hospitals.

The Hospital in the city of Prijedor and the University Hospital Clinical Centre Banja Luka were provided with medical equipment by Sberbank. To be more precise, a computer for the gynecological department of the General Hospital in the city of Prijedor and two cardiotocography machines for the needs of the Clinic of Gynecology and Obstetrics of the University Hospital Clinical Centre Banja Luka were donated by Sberbank Banja Luka. "By helping the hospitals, we are investing in our future," stated Aleksandar Kesić CEO of Sberbank Banja Luka. Those donations are one of numerous charitable actions taken by Sberbank Banja Luka, underlining social responsibility as an important part of Sberbank's corporate culture.

Teambuilding for a good cause.

Employees from the Accounting, Reporting & Tax (ART) department of Sberbank Europe AG gathered in Bük, a place in Hungary near Austrian border, for a two-day workshop in June. Colleagues boosted their team spirit, discussed the results they had achieved, set business targets and made a charitable contribution to SOS Kinderdorf, an NGO that provides help to children in need. On the first day, the colleagues were divided into three teams to complete a challenging "five-station competition", which required teamwork, strategic & analytical thinking as well as strong social skills. In the afternoon, the team assembled toys and bicycles, and painted pictures for children from disadvantaged families. The second day was fully dedicated to the business agenda.



Team of Accounting, Reporting and Tax department of Sberbank Europe AG at a two-day workshop combined business topics with great activities by helping kids in need.



Team of Sberbank Europe AG were happy to contribute various collected goods from employees to Austrian Red Cross.

Sberbank Europe and Sberbank Hungary are collecting donations for people in need.

Just in time for the winter season, employees of Sberbank Europe and Sberbank Hungary launched an initiative to collect clothes and toys for families in need.

Education

Sberbank helps schools with technology equipment.

In 2019, Sberbank Banja Luka and Sberbank Czech Republic made yet another donation of technical equipment for school children, donating computers to the technological school of Banja Luka as well as a projector for an elementary school.

Sberbank Czech Republic donated computers, monitors and various school accessories to a primary school and Kindergarten in Kromeriz (Czech Republic). Both institutions educate children with mental illnesses, including multiple disabilities and autism. Children will use the PCs for educational programs.

Social responsibility is one of the basic principles of our bank's business and is an important part of our corporate culture. These donations are yet another initiative in a series of humanitarian activities we've been pursuing.

Building bridges: Viennese students in St. Petersburg.

With the support of Sberbank Europe AG, eleven students from Sir Karl Popper school in Vienna traveled to

Once again, Sberbank Europe participated in the bank's traditional heartwarming campaign in 2019. It was launched by the Works Council of Sberbank Europe AG and the Austrian Red Cross. Over 35 jackets, 60 sweaters, 50 shirts and blouses, 100 t-shirts and dresses, 50 pairs of trousers, as well as numerous shoes, children's clothes, pens, backpacks, canned food, toys, books and hygiene products were donated. Red Cross delivered the collected goods to refugees and homeless people in Vienna. Sberbank Hungary donated over 80 boxes of warm clothes, food, toiletries, books and toys to those in need. The donations were received by two foundations, both supporting homeless families and single mothers, providing them with temporary shelter and helping them arrange suiting living conditions. "During the Christmas period, we realize how important it is to have a family, warmth and a comfortable home. With our donations, we hope to help those families who lack all these simple but crucial things," explains Barbara Kovács, Head of HR at Sberbank Hungary.



Students from Sir Karl Popper school in Vienna were able to learn more about Russian culture in St. Petersburg with the help of Sberbank Europe AG.

Saint Petersburg. The teenagers are studying Russian and this trip was the perfect opportunity for them to apply their language skills and learn more about Russian culture. The students saw the famous ballet "Swan Lake", visited the State Hermitage Museum and enjoyed strolling through the streets of Russia's "northern capital". This sponsorship was in keeping with Sberbank Europe's strategy of not only building bridges within business but also connecting people and cultures within the regions covered by Sberbank.

Sberbank Europe AG donates piano for school at the Embassy of the Russian Federation in Austria.

At Sberbank Europe AG, we see it as one of our top priorities to support children and young adults on their way to a good education. That's why we helped the school at the Embassy of the Russian Federation in Austria in Vienna purchase a piano for its music class. In return, the children invited Sberbank Europe AG to a spectacular concert, where they played classical, folk and modern music.



Sberbank Europe AG donated together with other companies a piano for music class lessons at the Embassy of the Russian Federation in Austria, Vienna.

Childcare

Employees from Sberbank collecting gifts.

Sberbank Czech Republic organized its traditional Christmas gifts collection for children without parents and seniors left alone. In 2019, Sberbank CZ made Christmas wishes come true for children in orphanages in Mastov and Duba-Destna and seniors in retirement homes in Chynov and Budislav. Within a couple of days employees from Sberbank CZ bought over 100 gifts and at the corporate punch events in Prague and Brno presents were also collected. This nice tradition demonstrates that Sberbank Europe is a bank with heart, always ready to help those in need.

Kids@Work: Children visit their parents at work.

In order to show children where their parents work, Sberbank Bosnia & Herzegovina launched the Kids@Work project in 2018. In December 2019, for the second time, Sberbank BH invited the kids of its employees to visit their parents' workplace – either at a branch or the headquarters – meet their colleagues and have some fun with coloring books and eating snacks. The project is aimed at 6- to 12-year-olds. It is being received very well by the employees and their children and helps kids better understand the specifics of bank operations as well as their parents' working lives.

Sberbank Banja Luka invited an elementary school class to its headquarters on World Savings Day on October 31, 2019. Children from the "Branko Radicevic" elementary school were given a guided tour of the bank's premises and were told about the importance of money and savings.

Moreover, Sberbank Banja Luka celebrated World Savings Day by presenting valuable gifts to the parents of newborn babies. The initiative was run by Sberbank Banja Luka for the fifth consecutive year.

Children invited to a ball in Vienna's Hofburg palace.

Sberbank Europe became a proud sponsor of the annual children's Christmas ball in the Hofburg palace. The event was organized by the charity "Energy for Life" for the 10th consecutive year. On December 11, 2019, almost 1 thousand children from socially disadvantaged families enjoyed a spectacular show in the beautifully decorated ballroom of Vienna's Hofburg. The children were entertained by famous Austrian artists and received gifts from the organizers and sponsors of the event.



Sberbank Europe AG was one of the sponsors of the children's ball in the Vienna Hofburg in 2019, organized by "Energy for Life".

Culture



Sberbank Europe AG is proud to be sponsor of the Russian culture festival in Vienna.

Sberbank supports Serbian literature.

Sberbank Serbia has become a partner of the NIN literary award. This prestigious award was established in 1954 by the weekly magazine NIN and is given annually to the best newly published novel in Serbian literature. On Monday, January 14, the award 2018 was presented to the young writer Vladimir Tabašević for his novel "Zablude Svetog Sebastijana" ("The Delusions of Saint Sebastian"). With this new cooperation, the bank aims to support Serbian literature.

Sberbank Hungary combines jazz with Vanessa Haynes & wine.

The renowned Hungarian Gere Jazz festival was sponsored by Sberbank Hungary for the second time. The organizer of the festival Gere Winery is among the leading winemakers in Hungary and is one of the main SME clients of Sberbank Hungary. Not only did the festival have an illustrious line-up, which included Vanessa Haynes (Incognito) and other participants from the Hungarian and international jazz music scene, but it also offered special wines and delicacies.

Traditional street festival in Vienna's Jauresgasse.

In September 2019, Sberbank Europe AG became a proud sponsor of the street festival in Vienna's Jauresgasse. The event was organized by the administration of Vienna's third district and the Embassy of the Russian Federation. It was held in front of the historic Russian Orthodox Cathedral of St. Nicholas and brought together Russian-speaking craftsmen, artists and businesspeople. Over the years, the Jauresgasse street festival has established itself as one of the biggest festivals of Russian culture in Austria.

Sberbank Europe AG invited it's clients to a concert of Valery Gergiev from Mariinskiy Orchestra.

As part of Sberbank Russia, we aim to foster cultural ties between Russia and the region of Europe in which we are present. To promote our international corporate values "bridge to Russia" Sberbank Europe AG supported the Austria-Russia cultural relations and cultivated contacts to its corporate clients, Sberbank Europe sponsored the concert of Mariinskiy Orchestra in January 2019 at Wiener Konzerthaus with the famous conductor Valery Gergiev.



Sberbank Europe AG sponsored a concert of Mariinskiy Orchestra at Wiener Konzerthaus with famous Russian conductor Valery Gergiev.

Sports and Healthy Lifestyle

Sponsoring sports and fostering a healthy lifestyle have a long tradition at Sberbank. Running events, winter sports and beach volleyball are usually the focus of Sberbank Europe's sports sponsorships. The bank's numerous employee teambuilding activities reflect its ambition to promote a healthy lifestyle both inside and outside the company.

Ljubljana and Sberbank gear up for the European Volleyball Championship.

The Volleyball Federation of Slovenia (OZS) organized a special event in Ljubljana to mark the start of the 99-day countdown until the start of the Men's European Volleyball Championship. Sberbank Slovenia became a sponsor of the event. 99 mini volleyball courts were set up in the streets and squares of the Slovenian capital. Numerous volleyball clubs, families, fans and players of the national sitting volleyball team attended the event. Balls were flying all over the place – preparations for EuroVolley were in full swing! As a "national sponsor" of the European Championship, Sberbank Slovenia supplied everyone who attended the event with branded T-shirts.



European Volleyball Championship event in Ljubljana, Slovenia sponsored by Sberbank Slovenia.

Walking 8,113 km in 9 weeks.

Sberbank Czech Republic has launched the Idea Box, an intranet portal where employees can share their ideas to improve client or employee satisfaction, generate more revenue and cut costs. Some 80 ideas have already been submitted for general discussion. The bank's management team evaluates all ideas on a quarterly basis, rewarding the best ones and supporting their implementation. One short-listed idea was the Sberbank Winter Challenge on www.endomondo.com, which motivated employees to pursue a healthy lifestyle and created a sense of team spirit. 36 participating employees went

walking, cycling, skiing and circuit training and recorded their results in the application. Altogether, they walked 8,113 km in less than 9 weeks! With the Summer Challenge well under way, all interested colleagues from Sberbank CZ are encouraged to join in.

Sberbank Open – tennis championship in Belgrade.

The Sberbank Open tennis tournament was held on the sidelines of the Sberbank Business Forum in Belgrade on Friday, May 31. The tournament brought together colleagues from the Sberbank Group and corporate clients from various markets. The participants played doubles matches as per the official rules. Each match consisted of a player from Sberbank and a representative of another company. With exciting matches and a pleasant ambience, Sberbank Serbia got the best of the worlds of both sport and business, strengthening partnerships between colleagues and clients from all over Europe along the way.



Happy winners of Sberbank Europe team. Once more Sberbank Europe could prove that business can be combined with sportive fun.

Summer Sberbankiada.

The Summer Sberbankiada, Sberbank's biggest corporate sports event in Minsk, welcomed participants and guests of the 13th Summer Sberbankiada. Sberbankiada is an annual Sberbank group-wide event promoting sports and a healthy lifestyle, and was founded by Sberbank's Moskovsky Bank in the early 1990s. The Sberbank Europe team won the silver medal in the Sberbankiada top management tennis competition. After two days of intense matches, the double Tamás Fodor (Retail Board Member, Sberbank Hungary) / András Kaliszky (Chief Operations Officer, Sberbank CZ) made its way through to the semi-finals, where they faced their colleagues from Sberbank's Head Office. Teamwork truly has no

boundaries, whether it's in sports or business. The event was drawn to a close on Saturday, July 20 with a final award ceremony. The event was attended by more than 2,000 employees from Russia, Kazakhstan, Belarus, Austria, the Czech Republic, Serbia and Hungary.

Winter sports tradition at Sberbank Europe in Kranjska Gora.

In March, Kranjska Gora, the Slovenian ski resort, became the hot spot for more than 120 Sberbank Europe employees competing against each other in the 6th Sberbank Europe Ski Championship – Sberbank Europe's largest group-wide winter team-building event. The colleagues competed in skiing, snowboarding, giant slalom and cross-country skiing. The winners of the competition then qualify for the Winter Sberbankiada in Russia for the upcoming year.



Sberbank Europe AG employees at the Vienna Business Run 2019 turned from "Bankers to Runners".

From bankers to runners.

As in previous years, many Sberbank employees throughout the subsidiaries took part in marathons in 2019 – running events are becoming more and more appealing to our employees and are a great opportunity to strengthen teamwork and the healthy way of life at Sberbank.

Sberbank Europe AG participated in the 2019 Vienna Business Run. Over 32,000 people took part in this traditional running event, nearly 60 of which were employees from Sberbank Europe AG. Several weeks in advance, a group of colleagues teamed up for weekly after work runs to get in shape and boost their motivation.

Sberbank Banja Luka sponsored the biggest business run in their country.

Sberbank Banja Luka was the proud sponsor of the "Sberbank 5km BIZZ UP Run" race in September. The event took place in the "Mladen Stojanovic" park in Banja Luka. Aleksandar Kesić, CEO of Sberbank Banja Luka said: "This year, we had our own team of runners that made the most of it, securing second place. We also received an award for the best branded team. We are proud of our runners for whom sport is a huge part of their lifestyle." On the sidelines of the event, the bank distributed green apples to all runners and attendees.

Sberbank Bosnia & Herzegovina half marathon brought together over 3,000 runners.

The most attractive recreational running event in Bosnia and Herzegovina, the Sarajevo Sberbank Half Marathon, was held on Sunday, September 15. The event attracted over 3,000 runners from all over the country and abroad. Over the several months, the athletes prepared for the 21-kilometer run with a time limit of three hours. Nine Sberbank BH employees ran this year, and four of them completed the half marathon for the first time in their lives.

Sberbank Croatia joins B2run in Zagreb.

Sberbank Croatia participated in B2Run, the largest corporate marathon in Zagreb, for the first time. Its team consisted of 17 motivated runners, from beginners to experienced athletes who joined forces to foster a corporate sports spirit. Our colleagues ranked 180th out of 414 registered sports teams, achieving outstanding results as individuals, too. Csaba Soós, CEO of Sberbank Croatia, was among the dedicated runners. "It was a great event with a fantastic spirit! I'm looking forward to doing it again next year," said Soós. The event was attended by 8,000 runners. The B2Run race is part of the B2Run World Series and is held in Rijeka, Split, Osijek and Zagreb throughout the year – and Sberbank Croatia was proud to be a part of it.

Environmental Awareness

For Sberbank, environmental awareness means being conscious of the natural environment and making choices that benefit the earth, rather than hurt it. The chapters before have already shown how Sberbank contributed to protecting the environment. Here are some more initiatives that Sberbank is involved in.



With the help of Sberbank CZ and their “green” consumer loans more than 5,000 trees were planted in the Czech Republic in 2019.

Sberbank CZ is planting trees for every approved loan.

In August 2019, Sberbank CZ launched its new campaign to promote “green” consumer loans. The main claim is “We plant a tree for every loan approved”, which is in line with the new retail approach and CSR strategy of the bank. Based on preliminary research, target customers were very responsive to the concept, as it demonstrates a responsible approach to the environment alongside a huge appreciation for the customer. The trees were planted in October and November in several locations across the Czech Republic.

Sberbank Croatia raising awareness for environmental issues.

12 volunteers from Sberbank Croatia have arranged a nursery yard with the help of the Association of Students of Urban Forestry and pre-school children. The initiative “Make It Green” supported Collective Planting Days in Croatia and contributed to the community by volunteering. Each child was given their own seedling, learned about roots, plants, nurturing plant growth and ultimately what their seedlings will be used for. Volunteers, alongside the oldest children from the nursery, decorated the yard and planted beautiful arrangements on a large terrace. After the planting was completed, the children were presented

with Make It Green diplomas, awarding them the title of “Young Gardeners”. The goal of the project was to initiate and support socially responsible operations and to foster environmental responsibility and awareness in children. “Make It Green” is part of Sberbank Croatia’s CSR and 2021 strategies.



Volunteers from Sberbank Croatia raising awareness for healthier environment by supporting the initiative “Make it Green.”

Bankers growing new forest in Bosnia and Herzegovina.

Sberbank BH spearheaded the efforts of the Banking Association of Bosnia and Herzegovina to organize tree planting sessions at two locations in the country. The initiative saw some 160 volunteers from all banks digging and planting four thousand seedlings in northern Bosnia and in the vicinity of Sarajevo. The reforestation endeavor helped raise awareness of environmental issues and volunteerism among the banking community and general public. The Banking Association plans to plant a total of 9,700 seedlings by the end of next year, which corresponds to the current number of employees in the Bosnian banking sector.



Raising awareness of environmental issues - Sberbank BH supported the Banking Association of Bosnia and Herzegovina by planting trees.

Sberbank Serbia collected over 800 kg of debris and litter during the initiative “Cleaning up the Belgrade shore areas” in December 2019.

Sberbank Serbia launched a social responsibility initiative, "Let's clean the shore areas of Belgrade" with the aim of cleaning up debris and litter from parts of the Sava and Danube region. The idea was geared towards removing anything that had impacted the appearance and the functionality of these places. In an effort to make Belgrade's rivers appear cleaner and more beautiful, the gathered litter was taken for recycling. During the cleaning process, 840 kg of litter was collected. Sberbank Serbia believes that supporting this initiative contributes to a cleaner and healthier area and will encourage employees to be more responsible for the environment.



Sberbank Serbia supported an initiative to make the Danube and Save region in Belgrade cleaner.

Stakeholder Communication

Sberbank Europe follows the principle of ensuring regular, transparent, direct, timely and informative stakeholder communication relating to all relevant developments within the bank, positioning Sberbank Group as a globally successful and locally relevant company. Employees of Sberbank Europe are regularly informed about the strategy and business performance via email as well as on the company's intranet. The monthly newsletter "On the Move" contains cross-regional news from all Sberbank Europe subsidiaries, reaching more than 4,000 employees in eight countries.

All subsidiary banks regularly publish local newsletters, corporate magazines or internal news to keep their employees informed. In order to enhance direct communication between the Management Board and the employees of the bank, all subsidiaries are organizing regular "town hall" meetings with employees as well as meetings with B-1 and B-2 managers. Moreover, the Offsite Top Management Meeting for all Sberbank Group Board Members with B-1 managers from Sberbank Europe AG is held twice a year. In this format, the Board Members collaborate on the strategic goals and visions of the banking group outside the premises of Sberbank Europe AG.

As it does almost every year, Sberbank Europe increased the range of its internal newsletters to keep its employees up to date. In 2019, the bank launched another two important newsletters – the OCP (omnichannel platform) newsletter and the FRMP (finance and risk management platform) newsletter. Both projects are of significant strategic importance for Sberbank Europe.

In total, there were more than 100 pieces of internal news addressing employees in all the countries in which Sberbank Europe operates. In addition, all subsidiary banks published numerous local newsletters for their employees reporting on the latest developments within the bank.

Another channel used to showcase important events and developments at Sberbank Europe is the social media platform LinkedIn. Sberbank Europe made more than 50 posts in 2019 and had over 4,500 followers by the end of the year.

Members of the Management Board in all markets covered by Sberbank Europe gave a total of over 30 interviews to local media about the strategy and the business performance of the bank in 2019.

Abbreviations

AML	-	Anti-Money Laundering
BAM	-	Bosnia and Herzegovina convertible mark
bbp	-	Bank of Business Partners
BIA	-	Business Impact Analysis
CAFM	-	Computer-Aided Facility Management
CEE	-	Central and Eastern Europe
CEO	-	Chief Executive Officer
CIS	-	Commonwealth of Independent States (Russian Commonwealth)
CSR	-	Corporate Social Responsibility
CZK	-	Czech Crown (Czech currency)
ECA	-	Export Credit Agency
EUR	-	EURO (joint Eurozone currency)
EU	-	European Union
FX	-	Foreign Exchange Market
GDPR	-	General Data Protection Regulation
HR	-	Human Resources
ISG	-	Internal Sustainability Goals
ISO	-	International Organization for Standardization
KYC	-	Know Your Customer
kW	-	kW – Kilowatt
LED	-	LED – Light-Emitting Diode
MWh	-	Megawatt per Hour
MUN	-	Model United Nations
NaDiVeG	-	Nachhaltigkeits- und Diversitätsverbesserungsgesetz
NPS	-	Net Promoter Score
PSD2	-	Payment Services Directive
RSD	-	Serbian Dinar
SBAG	-	Sberbank Europe AG (Vienna Headquarters)
SBBH	-	Sberbank Bosnia & Herzegovina (Sberbank Bosnia & Herzegovina d.d. Sarajevo)
SBBL	-	Sberbank Banja Luka (Sberbank a.d. Banja Luka)
SBCZ	-	Sberbank Czech Republic Czech Republic (Sberbank Czech Republic, a.s.)
SBDE	-	Sberbank Direct (Germany)
SBEU	-	Sberbank Europe or Sberbank Europe Group
SBHR	-	Sberbank Croatia (Sberbank d.d.)
SBHU	-	Sberbank Hungary (Sberbank Magyarország Zrt.)
SBSI	-	Sberbank Slovenia (Sberbank banka d.d.)

SBRS	-	Sberbank Serbia (Sberbank Srbija a.d. Beograd)
SEE	-	Southeastern Europe
SIEM	-	Security Information and Event Management
SME	-	Small and Medium-Sized Enterprises
UNESCO	-	United Nations Educational, Scientific and Cultural Organization
VBI	-	Volksbank International

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