

**Sberbank
(Savings Bank of the Russian Federation)**

**Condensed Interim Financial Statements and
Review Report**

31 March 2007

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Review Report

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REVIEW REPORT

To the Shareholders and Supervisory Board of Sberbank (Savings Bank of the Russian Federation):

Introduction

- 1 We have reviewed the accompanying condensed interim balance sheet of Sberbank (Savings Bank of the Russian Federation) (hereinafter - the "Bank") as of 31 March 2007, and the related condensed interim statements of income, changes in equity and cash flows for the three months then ended. Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34"). Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

- 2 We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

- 3 Based on our review nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information has not been properly prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

ZAO PricewaterhouseCoopers Audit

Moscow, Russian Federation
20 August 2007

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Balance Sheet

(In millions of Russian Roubles)	Note	31 March 2007 (Unaudited)	31 December 2006
ASSETS			
Cash and cash equivalents		347 949	202 030
Mandatory cash balances with the Central Bank of the Russian Federation		57 210	77 915
Trading securities		437 534	210 641
Other securities at fair value through profit or loss		243 531	237 847
Due from other banks		31 853	9 051
Loans and advances to customers	5	2 641 201	2 541 617
Investment securities held to maturity		25 053	26 198
Premises and equipment		123 881	125 216
Other assets		28 644	36 158
TOTAL ASSETS		3 936 856	3 466 673
LIABILITIES			
Due to other banks		37 523	44 836
Deposits from individuals	6	2 168 640	2 046 035
Customer accounts	6	873 586	782 789
Debt securities in issue		133 961	123 729
Other borrowed funds	7	107 424	107 332
Deferred income tax liability		4 154	3 604
Other liabilities		19 885	22 944
Subordinated debt		26 144	26 880
TOTAL LIABILITIES		3 371 317	3 158 149
EQUITY			
Share capital	8	87 742	79 981
Share premium	8	232 493	10 016
Revaluation reserve for premises		15 216	15 344
Retained earnings		230 088	203 183
TOTAL EQUITY		565 539	308 524
TOTAL LIABILITIES AND EQUITY		3 936 856	3 466 673

Approved for issue and signed on behalf of the Board on 20 August 2007.


 E.A. Koroley
 Acting CEO


 A.V. Kruzhalov
 Chief Accountant

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Income Statement

	Note	Three months ended 31 March 2007 (Unaudited)	Three months ended 31 March 2006 (Unaudited)
<i>(In millions of Russian Roubles)</i>			
Interest income	9	90 765	69 536
Interest expense	9	(38 190)	(25 491)
Net interest income		52 575	44 045
Recovery of provision / (provision) for loan impairment	5	372	(1 810)
Net interest income after provision for loan impairment		52 947	42 235
Gains less losses arising from trading securities and other securities at fair value through profit or loss		556	3 253
Net gains arising from trading in foreign currencies and foreign exchange translation gains net of losses		1 021	770
Fee and commission income	10	13 982	10 904
Fee and commission expense	10	(482)	(320)
Other operating income		1 028	1 208
Operating profit		69 052	58 050
Administrative and other operating expenses		(35 523)	(31 798)
Profit before tax		33 529	26 252
Income tax expense		(6 752)	(6 313)
Profit for the reporting period		26 777	19 939
Earnings per ordinary share, basic and diluted (expressed in RR per share)	11	1 409	1 049

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Statement of Changes in Equity

<i>(In millions of Russian Roubles)</i>	Note	Share capital	Share premium	Revaluation reserve for premises	Retained earnings	Total equity
Balance as at 1 January 2006		20 981	10 016	15 873	184 199	231 069
Premises and equipment:						
- Depreciation of revalued premises		-	-	(174)	174	-
- Income tax recorded in equity		-	-	42	(42)	-
Profit for the reporting period		-	-	-	19 939	19 939
Balance as at 31 March 2006 (Unaudited)		20 981	10 016	15 741	204 270	251 008
Balance as at 1 January 2007		79 981	10 016	15 344	203 183	308 524
Premises and equipment:						
- Depreciation of revalued premises		-	-	(168)	168	-
- Income tax recorded in equity		-	-	40	(40)	-
Profit for the reporting period					26 777	26 777
Issue of ordinary shares	8	7 761	222 477	-	-	230 238
Balance as at 31 March 2007 (Unaudited)		87 742	232 493	15 216	230 088	565 539

Sberbank (Savings Bank of the Russian Federation)
Condensed Interim Statement of Cash Flows

<i>(In millions of Russian Roubles)</i>	Note	Three months ended 31 March 2007 (Unaudited)	Three months ended 31 March 2006 (Unaudited)
Cash flows from operating activities			
Interest received		91 068	71 450
Interest paid		(34 855)	(22 966)
Income received from trading securities and other securities at fair value through profit or loss		470	1 284
Income received from trading in foreign currencies		1 898	2 087
Fees and commissions received		13 934	10 627
Fees and commissions paid		(482)	(320)
Other operating income received		1 012	562
Administrative and other operating expenses paid		(36 966)	(25 459)
Income tax paid		(7 191)	(6 286)
Cash flows from operating activities before changes in operating assets and liabilities		28 888	30 979
Changes in operating assets and liabilities			
Net decrease / (increase) in mandatory cash balances with the Bank of Russia		20 705	(4 055)
Net increase in trading securities		(225 982)	(83 997)
Net increase in other securities at fair value through profit or loss		(7 443)	(3 171)
Net decrease/ (increase) in due from other banks		9 438	(15 725)
Net increase in loans and advances to customers		(103 793)	(82 582)
Net increase in repurchase receivable		-	(392)
Net decrease in other assets		7 550	4 266
Net decrease in due to other banks		(6 731)	(1 080)
Net increase in deposits from individuals		124 348	98 001
Net increase in customer accounts		92 516	15 228
Net increase in debt securities in issue		9 620	4 061
Net increase in other liabilities		3 231	6 298
Net cash used in operating activities		(47 653)	(32 169)
Cash flows from investing activities			
Acquisition of premises and equipment		(2 816)	(3 089)
Proceeds from disposal of premises and equipment		354	125
Dividend income received		-	20
Net cash used in investing activities		(2 462)	(2 944)
Cash flows from financing activities			
Issue of ordinary shares	8	230 238	-
Other borrowed funds received		781	487
Redemption of other borrowed funds		(105)	(461)
Repayment of interest on other borrowed funds		(1 040)	(1 163)
Repayment of interest on subordinated debt		(821)	(433)
Dividends paid	12	(5)	(2)
Net cash from / (used in) financing activities		229 048	(1 572)
Effect of exchange rate changes on cash and cash equivalents		(789)	(392)
Net increase / (decrease) in cash and cash equivalents		178 144	(37 077)
Cash and cash equivalents at the beginning of the reporting period		169 805	144 403
Cash and cash equivalents as at the end of the reporting period		347 949	107 326

1 Introduction

These condensed interim financial statements for the three months ended 31 March 2007 for Sberbank (Savings Bank of the Russian Federation) (the "Bank") have been prepared in accordance with IAS 34 "Interim Financial Reporting" ("IAS 34").

The Bank is an open joint stock company established in 1841 and has operated in various forms since then. The Bank was incorporated and is domiciled in the Russian Federation. The Bank's principal shareholder, the Central Bank of the Russian Federation ("Bank of Russia"), owns 60.3% of ordinary shares or 57.6% of the issued and outstanding shares at 31 March 2007.

As at 31 March 2007 the Supervisory Board of the Bank was headed by the Chairman of the Bank of Russia. The Supervisory Board also included representatives from the Bank's other shareholders. Two Deputy Chairmen of the Bank of Russia are Deputy Chairmen of the Supervisory Board. On 29 June 2007 General Shareholders meeting elected a new Supervisory Board of the Bank. The new Supervisory Board is also headed by the Chairman of the Bank of Russia. Please refer to Note 17.

Principal activity. The Bank's principal business activity is corporate and retail banking operations within the Russian Federation. The Bank has operated under a full banking license issued by the Bank of Russia since 1991.

The Bank has 17 (31 December 2006: 17) regional head offices, 823 (31 December 2006: 840) branches and 19 307 (31 December 2006: 19 244) sub-branches within the Russian Federation as at 31 March 2007. The average number of the Bank's employees during the three months period ended 31 March 2007 was 247 672 (2006 year: 243 620).

Registered address and place of business. The Bank's registered address is: Vavilova str., 19, Moscow, Russian Federation.

2 Operating Environment of the Bank

High rates of economic growth in the Russian Federation gave rise to dynamic development of its banking system. During 2006 Fitch and Standard and Poor's, the international rating agencies, raised Russian sovereign foreign currency rating to the "BBB+" grade. In 2006 international rating agency Moody's also upgraded foreign currency country ceiling for Russian bonds to A2. On the whole the Russian Federation displays certain characteristics of an emerging market, including high rates of economic growth, continuing fall of inflation rates, liberalization of current and capital foreign transactions.

At the same time there is no confidence that the latest positive trends in the Russian economy will remain in future. The tax, currency and customs legislation within the Russian Federation is subject to varying interpretations, and changes, which can occur frequently. Furthermore, the need for further developments in the bankruptcy laws, the absence of formalised procedures for the registration and enforcement of collateral, and other legal and fiscal impediments contribute to the difficulties experienced by banks currently operating in the Russian Federation. The future economic direction of the Russian Federation is largely dependent upon the effectiveness of economic, financial and monetary measures undertaken by the Government, together with tax, legal, regulatory, and political developments.

3 Basis of Preparation

These condensed interim financial statements have been prepared in accordance with IAS 34. These condensed interim financial statements should be read in conjunction with the annual financial statements of the Bank for the year ended 31 December 2006.

These condensed interim financial statements are presented in millions of Russian Roubles ("RR millions").

At 31 March 2007 the principal rate of exchange used for translating foreign currency monetary balances was USD 1 = RR 26.0113 (31 December 2006: USD 1 = RR 26.3311).

4 Accounting Policies and Critical Accounting Estimates and Judgements

The accounting policies and methods of computation applied in the preparation of these condensed interim financial statements are consistent with those disclosed in the annual financial statements of the Bank for the year ended 31 December 2006 except for the described below.

Changes in accounting policies and presentation. Where necessary, corresponding figures have been adjusted to conform with changes in accounting policies and in the presentation of the current period amounts.

The Bank changed its accounting policy for cash and cash equivalents and now also considers as part of cash and cash equivalents interbank deposits with original maturities of less than one month. The change was made to align the Bank's policies with the Bank's liquidity management practices.

The effect of changes in accounting policies and of reclassifications on the interim balance sheet of the Bank is as follows:

<i>(In millions of Russian Roubles)</i>	31 December 2006
Increase in	
Cash and cash equivalent	32 225
Decrease in	
Due from other banks	(32 225)

Corresponding reclassifications were made in the condensed interim statement of cash flows for three months ended 31 March 2006:

<i>(In millions of Russian Roubles)</i>	Three months ended 31 March 2006 (Unaudited)
Increase in	
Cash and cash equivalents at the beginning of the reporting period	21 034
Cash and cash equivalents as at the end of the reporting period	16 036
Decrease in	
Net decrease/ (increase) in due from other banks	(4 998)

Certain new standards, interpretations and amendments to the existing standards, as disclosed in the financial statements for the year ended 31 December 2006, became effective for the Bank from 1 January 2007. The application of the new accounting pronouncements did not have a significant impact on these condensed interim financial statements.

IFRS 7 Financial Instruments: Disclosures and a complementary Amendment to IAS 1 Presentation of Financial Statements - Capital Disclosures, effective for annual periods beginning on or after 1 January 2007. The IFRS introduces new disclosures to improve the information about financial instruments. The volume of disclosures will increase significantly with an emphasis on quantitative aspects of risk exposures and the methods of risk management. The quantitative disclosures will provide information about the extent of exposure to risk, based on information provided internally to the entity's key management personnel. Qualitative and quantitative disclosures will cover exposure to credit risk, liquidity risk and market risk including sensitivity analysis to market risk. IFRS 7 replaces IAS 30, Disclosures in the Financial Statements of Banks and Similar Financial Institutions, and some of the requirements in IAS 32, Financial Instruments: Disclosure and Presentation. The Amendment to IAS 1 introduces disclosures about level of an entity's capital and how it manages capital. The Bank assessed that the new IFRS and the amendment to IAS 1 do not have impact on disclosures in its condensed interim financial statements.

4 Accounting Policies and Critical Accounting Estimates and Judgements (Continued)

IFRIC 7, "Applying the Restatement Approach under IAS 29", effective for annual periods beginning on or after 1 March 2006. This interpretation is not relevant for the Bank.

IFRIC 8, "Scope of IFRS 2", effective for annual periods beginning on or after 1 May 2006. Management does not consider the interpretation to be relevant for the Bank.

IFRIC 9, "Reassessment of Embedded Derivatives", effective for annual periods beginning on or after 1 June 2006. Management does not consider the interpretation to be relevant for the Bank.

IFRIC 10, "Interim Financial Reporting and Impairment", effective for annual periods beginning on or after 1 November 2006. The Interpretation states that an entity should not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost. Management does not consider the interpretation have any material impact on the condensed interim financial statements of the Bank.

Judgements made by Management in the process of applying the accounting policies were consistent with the judgements disclosed in the annual financial statements for the year ended 31 December 2006 except for the following area of judgement applied to the interim financial statements.

Interim period measurement. Income tax expense is recognised in these condensed interim financial statements based on management's best estimates of the effective annual income tax rate expected for the full financial year. Costs that occur unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

Critical estimates, as disclosed in the annual financial statements for the year ended 31 December 2006, have not resulted in a material adjustment to the Bank's assets, income or profit during the three months period ended 31 March 2007.

The following new standards, amendments to standards and interpretations have been issued but are not effective for 2007 and have not been early adopted:

IFRIC 11, "IFRS 2 – Group and Treasury Shares Transactions", effective for annual periods beginning on or after 1 March 2007. This interpretation is not relevant for the Bank;

IFRIC 12, "Service Concession Arrangements", effective for annual periods beginning on or after 1 January 2008. This interpretation is not relevant for the Bank;

IFRIC 13, "Customer Loyalty Programmes", effective for annual periods beginning on or after 1 July 2008. This interpretation is not relevant for the Bank;

IFRIC 14, "IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interactions", effective for annual periods beginning on or after 1 January 2008. Management does not expect the interpretation to be relevant for the Bank;

IFRS 8, "Operating segments", effective for annual periods beginning on or after 1 January 2009. The Standard applies to entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a regulatory organisation for the purpose of issuing any class of instruments in a public market. IFRS 8 requires the Bank to report financial and descriptive information about its operating segments and specifies how the Bank should report such information. The Bank is currently assessing what impact the new IFRS a will have on disclosures in its financial statements; and

IAS 23, "Borrowing Costs" (revised March 2007; effective for annual periods beginning on or after 1 January 2009). The revised Standard removed the option of immediate recognition as an expense of borrowing costs related to assets that take a substantial period of time to get ready for use or sale. An entity is, therefore, required to capitalize such borrowing costs as part of the cost of the asset. The revised Standard applies prospectively to borrowing costs relating to qualifying assets for which the commencement date for capitalization is on or after 1 January 2009. Management does not expect the revised standart have any material impact on the Bank.

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 31 March 2007

5 Loans and Advances to Customers

<i>(In millions of Russian Roubles)</i>	31 March 2007 (Unaudited)	31 December 2006
Current loans	2 687 093	2 595 458
Overdue loans	31 913	29 129
Reverse sale and repurchase agreements	21 634	17 907
Less: Provision for loan impairment	(99 439)	(100 877)
Total loans and advances to customers	2 641 201	2 541 617

Overdue loans represent the amount of overdue loan payments and do not include the entire outstanding balance of the loans with overdue payments.

Movements in the provision for loan impairment for the three months of 2007 and 2006 are as follows:

<i>(In millions of Russian Roubles)</i>	Three months ended 31 March 2007 (Unaudited)	Three months ended 31 March 2006 (Unaudited)
Provision for loan impairment at 1 January	100 877	93 078
(Recovery of provision) / provision for loan impairment during the three months	(372)	1 810
Loans and advances to customers written off during the three months as uncollectible	(1 066)	(431)
Provision for loan impairment as at 31 March	99 439	94 457

6 Deposits from Individuals and Customer Accounts

<i>(In millions of Russian Roubles)</i>	31 March 2007 (Unaudited)	31 December 2006
Individuals		
- Current/demand accounts	193 651	201 586
- Term deposits	1 974 989	1 844 449
State and public organisations		
- Current/settlement accounts	78 012	65 820
- Term deposits	53 813	18 805
Other legal entities		
- Current/settlement accounts	540 399	518 813
- Term deposits	201 362	179 351
Total deposits from individuals and customer accounts	3 042 226	2 828 824

7 Other Borrowed Funds

<i>(In millions of Russian Roubles)</i>	31 March 2007 (Unaudited)	31 December 2006
Long-term borrowings received	98 663	99 247
Other term borrowings	8 761	8 085
Total other borrowed funds	107 424	107 332

Included in long-term borrowings received is a syndicated loan in the amount of USD 1 000 million which was received by the Bank in December 2005 from a consortium of foreign banks. At 31 March 2007 the loan was accounted for at amortised cost of RR 26 151 million (31 December 2006: RR 26 463 million). This loan has a maturity date on 10 November 2008 and contractual floating interest rate of 3 months LIBOR + 0.55%. As at 31 March 2007 the effective interest rate on the loan was 6.3% p.a. (31 December 2006: 6.3% p.a.).

In May 2006 the Bank attracted USD 500 million within the MTN programme at a fixed interest rate of 6.5% p.a. maturing on 15 May 2013. As at 31 March 2007 this borrowing is recorded at amortised cost of RR 13 304 million (31 December 2006: RR 13 256 million). The transaction was structured as an issue of notes by SB Capital S.A. for the purpose of financing a loan to the Bank. As at 31 March 2007 the effective interest rate on the loan was 6.6% p.a. (31 December 2006: 6.6% p.a.).

In October 2006 the Bank received another syndicated loan in the amount of USD 1 500 million from a consortium of foreign banks, which is also included in long-term loans received. As at 31 March 2007 the loan was accounted for at amortised cost of RR 39 286 million (31 December 2006: RR 39 649 million). This loan matures in October 2009 and has contractual floating interest rate of 3 months LIBOR + 0.30%. As at 31 March 2007 the effective interest rate on the loan was 6.0% p.a. (31 December 2006: 5.9% p.a.).

In November 2006 the Bank attracted the second loan under the MTN issuance programme in the amount of USD 750 million, which is also included in long-term loans received. As at 31 March 2007 this loan was accounted for at amortised cost of RR 19 922 million (31 December 2006: RR 19 879 million). This loan matures in November 2011 and has contractual fixed interest rate of 5.9% p.a. As at 31 March 2007 the effective interest rate on the loan was 6.0% p.a. (31 December 2006: 6.0% p.a.).

Other term borrowings represent funding received by the Bank from foreign export agencies via foreign banks, which was used by Sberbank for direct lending to Russian companies in accordance with the terms of the agreements. At 31 March 2007 these term borrowings were accounted for at amortised cost of RR 8 761 million (31 December 2006: RR 8 085 million), had floating interest rates varying from 4.3% to 6.6% (31 December 2006: from 3,9% to 6,8%) and maturity dates from July 2007 to January 2016 (31 December 2006: from July 2007 to January 2016).

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 31 March 2007

8 Share Capital and Share Premium

<i>(In millions of Russian Roubles)</i>	31 March 2007 (Unaudited)			31 December 2006		
	Number of shares, in units	Nominal amount	Inflation adjusted amount	Number of shares, in units	Nominal amount	Inflation adjusted amount
Ordinary shares	21 586 948	64 761	83 337	19 000 000	57 000	75 576
Preference shares	50 000 000	3 000	4 405	50 000 000	3 000	4 405
Less: Treasury shares						
- Ordinary shares	(1 684)	(5)	-	(1 787)	(5)	-
- Preference shares	-	-	-	-	-	-
Total share capital	71 585 264	67 756	87 742	68 998 213	59 995	79 981

On 21 December 2006, the Supervisory Board of the Bank approved the issuance of 3 500 000 additional ordinary shares with a nominal value of RR 3 000 by way of a public offering in Russia in the first quarter of 2007. The issue's results were approved by the Bank of Russia on 29 March 2007. The amount of shares placed under this issue was 2 586 948 units. The amount of cash brought in to pay for the shares under the issue comprised RR 230 238 million.

All ordinary shares have a nominal value of RR 3 000 per share and rank equally. Each share carries one vote.

Preference shares have a nominal value of RR 60 per share and carry no voting rights but rank ahead of the ordinary shares in the event of the Bank's liquidation. Preference shares are not redeemable. Dividend payments are at the discretion of the Bank. When a dividend is paid, the preference shares attract a minimum payment of annual dividends of 15% of their nominal value, subject to confirmation of the shareholders meeting. If preference dividends are not declared by ordinary shareholders, the preference shareholders obtain the right to vote as ordinary shareholders but lose this right when the next dividend is paid. Preference share dividends rank above ordinary dividends.

In the third quarter of 2007 the Bank of Russia approved the results of the Bank's shares' nominal value split. Please refer to Note 17.

Share premium of RR 232 493 million (31 December 2006: RR 10 016 million) represents the excess of contributions received over the nominal value of shares issued.

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 31 March 2007

9 Interest Income and Expense

<i>(In millions of Russian Roubles)</i>	Three months ended 31 March 2007 (Unaudited)	Three months ended 31 March 2006 (Unaudited)
Interest income		
Loans and advances to customers	80 942	62 023
Debt trading securities and other securities at fair value through profit or loss	7 232	5 803
Due from other banks	1 380	715
Investment securities held to maturity	915	969
Correspondent accounts with other banks	296	26
Total interest income	90 765	69 536
Interest expense		
Term deposits of individuals	30 035	20 411
Term deposits of legal entities	2 580	1 832
Current/settlement accounts	2 256	1 420
Other borrowed funds	1 615	782
Debt securities in issue	873	421
Subordinated debt	406	433
Correspondent accounts of other banks	309	127
Term placements of other banks	116	65
Total interest expense	38 190	25 491
Net interest income	52 575	44 045

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 31 March 2007

10 Fee and Commission Income and Expense

<i>(In millions of Russian Roubles)</i>	Three months ended 31 March 2007 (Unaudited)	Three months ended 31 March 2006 (Unaudited)
Fee and commission income		
Cash transactions	7 550	6 530
Settlement transactions	2 425	1 610
Plastic cards operations	2 025	1 396
Operations with foreign currency	661	527
Cash collection	607	497
Transactions with securities	190	84
Guarantees issued	185	112
Other	339	148
Total fee and commission income	13 982	10 904
Fee and commission expense		
Settlement transactions	339	202
Operations with foreign currency	81	64
Transactions with securities	32	27
Cash collection	24	23
Other	6	4
Total fee and commission expense	482	320
Net fee and commission income	13 500	10 584

11 Earnings per Share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the Bank by the weighted average number of ordinary shares in issue during the period, excluding treasury shares. The Bank has no dilutive potential ordinary shares; therefore, the diluted earnings per share equal the basic earnings per share.

<i>(In millions of Russian Roubles)</i>	Three months ended 31 March 2007 (Unaudited)	Three months ended 31 March 2006 (Unaudited)
Profit attributable to equity holders of the Bank	26 777	19 939
Profit attributable to the Bank's ordinary shareholders	26 777	19 939
Weighted average number of ordinary shares in issue (millions)	19	19
Basic and diluted ordinary earnings per share (expressed in RR per share)	1 409	1 049

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 31 March 2007

12 Dividends

<i>(In millions of Russian Roubles)</i>	Three months ended 31 March 2007 (Unaudited)		Three months ended 31 March 2006 (Unaudited)	
	Ordinary	Preference	Ordinary	Preference
Dividends payable at 1 January	59	18	41	12
Dividends paid during the three months ended 31 March	(2)	(3)	(1)	(1)
Dividends payable as at 31 March	57	15	40	11

During the reporting period no dividends have been declared.

13 Segment Analysis

The Bank's primary format for reporting segment information is business segments and the secondary format is geographical segments.

Business Segments. The Bank is organised on a basis of two main business segments:

- Retail banking – representing private customer current accounts, savings, deposits, custody, debit cards, consumer loans and mortgages.
- Corporate banking – representing operation with securities, current accounts, deposits, overdrafts, loan and other credit facilities, foreign currency and derivative products.

During three months ended 31 March 2007 the Bank measured business segment revenues, expenses and results on the basis of inter-segment prices used for internal management purposes only.

For the purposes of these condensed interim financial statements segment revenue consists of interest income and fees and commission income for the certain segment.

Segment information for the main reportable business segments of the Bank as at 31 March 2007 and 31 December 2006, as well as for the three months ended 31 March 2007 and three months ended 31 March 2006 is as follows:

Sberbank (Savings Bank of the Russian Federation)
Selected Notes to the Condensed Interim Financial Statements – 31 March 2007

13 Segment Analysis (Continued)

Segment reporting of the Bank's assets and liabilities per business segments as at 31 March 2007 is as follows:

<i>(Unaudited)</i> <i>(In millions of Russian Roubles)</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Assets				
Cash and cash equivalents	-	-	347 949	347 949
Mandatory cash balances with the Bank of Russia	16 910	40 300	-	57 210
Trading securities	437 534	-	-	437 534
Other securities at fair value through profit or loss	243 531	-	-	243 531
Due from other banks	31 853	-	-	31 853
Loans and advances to customers	1 951 711	689 490	-	2 641 201
Investment securities held to maturity	25 053	-	-	25 053
Premises and equipment	42 710	81 171	-	123 881
Other assets	4 488	16 208	7 948	28 644
Total assets	2 753 790	827 169	355 897	3 936 856
Liabilities				
Due to other banks	37 523	-	-	37 523
Deposits from individuals	-	2 168 640	-	2 168 640
Customer accounts	873 586	-	-	873 586
Debt securities in issue	116 817	17 144	-	133 961
Other borrowed funds	107 424	-	-	107 424
Deferred income tax liability	-	-	-	-
Other liabilities	3 391	-	4 154	4 154
Subordinated debt	26 144	-	6 000	19 885
			-	26 144
Total liabilities	1 164 885	2 196 278	10 154	3 371 317
Other disclosures				
Capital expenditure incurred during three month period ended 31 March 2006 (additions of fixed assets)	971	1 845	-	2 816

Sberbank (Savings Bank of the Russian Federation)
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13 Segment Analysis (Continued)

Segment reporting of the Bank's income and expenses per business segments for the three months ended 31 March 2007 is as follows:

<i>(Unaudited)</i> <i>(In millions of Russian Roubles)</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Interest income	60 263	30 502	-	90 765
Interest expense	(7 912)	(30 278)	-	(38 190)
Inter-segment (expense) and income	(30 465)	22 701	7 764	-
Gains less losses arising from trading securities and other securities at fair value through profit or loss	556	-	-	556
Net gains arising from trading in foreign currencies and foreign exchange translation gains net of losses	201	820	-	1 021
Fee and commission income	7 108	6 874	-	13 982
Fee and commission expense	(482)	-	-	(482)
Other operating income	786	242	-	1 028
Operating profit before provision for loan impairment	30 055	30 861	7 764	68 680
Recovery of provision / (provision) for loan impairment	1 091	(719)	-	372
Operating profit	31 146	30 142	7 764	69 052
Administrative and other operating expenses	(8 504)	(19 255)	(7 764)	(35 523)
Profit before tax	22 645	10 887	-	33 529

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13 Segment Analysis (Continued)

Segment reporting per business segments as at 31 December 2006 is as follows:

<i>(In millions of Russian Roubles)</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Assets				
Cash and cash equivalents	-	-	202 030	202 030
Mandatory cash balances with the Bank of Russia	24 564	53 351	-	77 915
Trading securities	210 641	-	-	210 641
Other securities at fair value through profit or loss	237 847	-	-	237 847
Due from other banks	9 051	-	-	9 051
Loans and advances to customers	1 876 396	665 221	-	2 541 617
Investment securities held to maturity	26 198	-	-	26 198
Premises and equipment	37 503	87 713	-	125 216
Other assets	3 164	27 175	5 819	36 158
Total assets	2 425 364	833 460	207 849	3 466 673
Liabilities				
Due to other banks	44 836	-	-	44 836
Deposits from individuals	-	2 046 035	-	2 046 035
Customer accounts	782 789	-	-	782 789
Debt securities in issue	107 619	16 110	-	123 729
Other borrowed funds	107 332	-	-	107 332
Deferred income tax liability	-	-	3 604	3 604
Other liabilities	3 523	11 094	8 327	22 944
Subordinated debt	26 880	-	-	26 880
Total liabilities	1 072 979	2 073 239	11 931	3 158 149
Other disclosures				
Capital expenditure incurred during three month period ended 31 March 2006 (additions of fixed assets)	925	2 164	-	3 089

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13 Segment Analysis (Continued)

Segment reporting of the Bank's income and expenses per business segments for the three months ended 31 March 2006 is as follows:

<i>(Unaudited)</i> <i>(In millions of Russian Roubles)</i>	Corporate banking	Retail banking	Intra-Bank items	Total
Interest income	45 827	23 709	-	69 536
Interest expense	(4 984)	(20 507)	-	(25 491)
Inter-segment (expense) and income	(25 239)	17 349	7 890	-
Gains less losses arising from trading securities and other securities at fair value through profit or loss	3 253	-	-	3 253
Net gains arising from trading in foreign currencies and foreign exchange translation gains net of losses	7	763	-	770
Fee and commission income	6 407	4 497	-	10 904
Fee and commission expense	(320)	-	-	(320)
Other operating income	1 208	-	-	1 208
Operating profit before provision for loan impairment	26 159	25 811	7 890	59 860
Provision for loan impairment	(1 559)	(251)	-	(1 810)
Operating profit	24 600	25 560	7 890	58 050
Administrative and other operating expenses	(6 476)	(17 432)	(7 890)	(31 798)
Profit before tax	18 124	8 128	-	26 252

14 Related Party Transactions

For the purposes of these interim condensed financial statements, parties are considered to be related if one party has the ability to control the other party, is under common control, or can exercise significant influence over the other party in making financial or operational decisions. In considering each possible related party relationship, attention is directed to the substance of the relationship, not merely the legal form. Transactions with related parties are entered into in the normal course of business and are priced at market rates.

The Bank's principal shareholder is the Bank of Russia (refer to Note 1). As the Bank continues to apply IAS 24 "Related Party Disclosures" (revised), respective disclosures are made in Note 15 for transactions with state-controlled entities and government bodies.

The table in this note represents balances and results of operations with the Bank's principal shareholder, the Bank of Russia, and other related parties, not disclosed in Note 15.

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14 Related Party Transactions (Continued)

As at 31 March 2007 and 31 December 2006, the outstanding balances with related parties were as follows:

<i>(In millions of Russian Roubles)</i>	31 March 2007 (unaudited)		31 December 2006	
	The Bank of Russia	Other related parties	The Bank of Russia	Other related parties
Assets				
Account with the Bank of Russia (other than mandatory reserve deposits)	84 743	-	8 321	-
Mandatory cash balances with the Bank of Russia	57 210	-	77 915	-
Discount debt securities	277 642	-	87 500	-
Due from other banks	25 606	-	775	-
Total loans and advances to customers (before provision for impairment)	-	18 434	-	18 831
Provision for loan impairment	-	(207)	-	(219)
Other assets	-	57	-	-
Liabilities				
Customer accounts	-	1 811	-	1 162
Credit related commitments				
Guarantees issued by the Bank at the period end	-	7 111	-	2 034
Import letters of credit at the period end	-	159	-	211

The income and expense items with related parties were as follows:

<i>(In millions of Russian Roubles)</i>	Three months ended 31 March 2007 (Unaudited)		Three months ended 31 March 2006 (Unaudited)	
	The Bank of Russia	Other related parties	The Bank of Russia	Other related parties
Interest income	715	507	296	519
Interest expense	(12)	(1)	(19)	(7)
Other operating income	-	18	-	11
Other operating expenses	(67)	(11)	(54)	(15)

For the three-months period ended 31 March 2007, the remuneration of the members of the key management personnel comprised salaries and bonuses totalling RR 158 million (the three months ended 31 March 2006: RR 157 million).

15 Operations with State-Controlled Entities and Government Bodies

Currently the Government of the Russian Federation does not provide to the general public or entities under its ownership/control a complete list of the entities which are owned or controlled directly or indirectly by the State. Under these circumstances the Management of the Bank disclosed only information that its current internal management and accounting systems allow to present in relation to operations with state-controlled entities and where the Management believes such entities could be considered as state-controlled based on its best knowledge. These financial statements disclose operations with government bodies and entities, in which the government directly owns more than 50% of the share capital. In relation to state-controlled entities, Management analysed the Bank's transactions with its largest customers and extracted balances and results of operations in relation to the following groups of entities which were included in the tables below: 1) 100% State subsidiaries and government bodies and 2) largest entities where the State controls over 50% of its share capital.

15 Operations with State-Controlled Entities and Government Bodies (Continued)

Transactions with government bodies and state-controlled entities are entered into in the normal course of business and priced at market rates. At 31 March 2007 and 31 December 2006, the outstanding balances with state-controlled entities and government bodies were as follows:

	31 March 2007 (Unaudited)		31 December 2006	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
<i>(In millions of Russian Roubles)</i>				
Cash and cash equivalents	1 103	8 464	17 468	422
Due from other banks	854	-	1 341	349
Trading securities	130 222	12 662	113 964	2 680
Other securities at fair value through profit or loss	222 321	8 889	213 398	11 562
Total loans and advances to customers (before provision for impairment)	118 417	60 334	119 496	139 656
Provision for loan impairment	(165)	(436)	(502)	(1 208)
Investment securities held to maturity	25 054	-	26 198	-
Customer accounts	132 649	40 442	87 181	20 681

Income and expense items with State subsidiaries and government bodies for the reporting period were as follows:

	Three months ended 31 March 2007 (Unaudited)		Three months ended 31 March 2006 (Unaudited)	
	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital	100% owned State subsidiaries and government bodies	Entities where the State controls over 50% of share capital
<i>(In millions of Russian Roubles)</i>				
Interest income	10 095	1 913	9 441	331
Interest expense	(1 007)	(143)	(620)	(180)
(Losses less gains) / gains less losses arising from trading securities and other securities at fair value through profit or loss	(1 460)	28	436	32
Fee and commission income	124	62	569	46

Transactions with the State also include taxes. Income tax expense amounts to RR 6 752 million for the three months ended 31 March 2007 (RR 6 313 million for the three months ended 31 March 2006).

16 Capital Adequacy Ratio

As of 31 March 2007, Capital Adequacy Ratio calculated by the Bank in accordance with the International Convergence of Capital Measurement and Capital Standards (July 1988, updated to November 2005) (or Basel Capital Accord) requirements was as follows:

	31 March 2007 (Unaudited)	31 December 2006
Core capital adequacy ratio (Tier 1)	16.2%	9.9%
Total capital adequacy ratio (Tier 1 and Tier 2)	17.4%	11.2%

17 Subsequent events

On 29 June 2007 the Annual General Shareholders' meeting was held. Per the decision of the Shareholders meeting, the Bank will pay out RR 385.50 dividend on each ordinary share and RR 9.30 dividend on each preference share. The total amount of dividends declared comprises RR 8 787 million. The General Shareholders' meeting has also approved the Bank's Supervisory Board members. The new Supervisory Board is headed by the Chairman of the Bank of Russia. Two Deputy Chairmen of the Bank of Russia are Deputy Chairmen of the Supervisory Board.

The Annual General Shareholders' meeting has also approved the split of the Bank's ordinary and preference shares nominal. On 19 July 2007 the Bank of Russia approved the results of the Bank's shares' nominal value split. As the result of the split the Bank's share capital consists of 21 586 948 000 units of ordinary shares with a nominal value of RR 3 each and 1 000 000 000 units of preference shares with a nominal value of RR 3 each.