



ANNUAL REPORT / 2024



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Chairman's Address

Dear Shareholders, Clients, and Partners!

Summarising the performance results for 2024, we declare a considerable growth: the Bank's annual profit made BYN 187 million. The result was attributed to implementation of the strategic cycle based on three paramount values: quality, technological content, and human-centric approach. Those principles allowed us to strengthen the Bank's positions in the corporate and retail segments, as well as to develop regional areas.

Successful work with corporate clients improved our leadership in the Belarusian financial market. The number of active clients reached 45 thousand legal entities and individual entrepreneurs. The amount of corporate loans crossed the milestone of BYN 2.3 billion. The focus industries forming the corporate loan portfolio in 2024 were trade, repairs, processing, mining, and professional activities.

We lay special emphasis on the implementation of innovative solutions into the lending process. Today, loan application approval takes only two hours, which makes financing much more accessible for small and medium businesses.

The retail business shows a steady growth, as well. The total number of active retail clients increased by 16% and reached 751 thousand people. We hold a firm 3rd rank in the retail lending market by total loan amount, and 2nd in the consumer loans segment.

The bank deposit portfolio in the domestic currency increased by 2.5 times. Deposits in BYN maturing up to 366 days are in the highest demand.

The strategic cycle demonstrates high interim results. Thus, Sber Bank won 11 awards at the prestigious 'Bank of the Year 2024' contest, of which three were golden in the key categories: Leader in Retail Lending, Export Financing, and Small Business Lending. We are proud of those results: each award proves our adherence to high quality standards and intention to create truly useful products and services.

We actively develop and improve our digital competencies and occupy leading positions in the technology domain, which is proved by awards in the Leaders of Digital Economy contest. Sber Bank fell into the three leaders in three nominations:

- Software Product of the Year for the automated cash flow management system Cash Cycle.
- Digital Service of the Year for the credit potential evaluation platform Credit Potential.
- Firmware of the Year for the innovative algorithm of cash advance optimisation Float Notes.

We actively develop our regional network: in the past year the number of modern offices increased to 58, located all over the territory of Belarus.

All our success is the result of teamwork, compliance with high standards of service, and trust from our clients. Together, we shall continue to improve and create additional value for each participant of our financial community.

Yours respectfully,

Evgeny Eliseev
Chairman of the Management Board



SBER BANK GROUP PROFILE

5 GENERAL INFORMATION

8 KEY FINANCIALS

General Information

Full name:

Sber Bank

Abbreviated name:

Sber Bank

Majority shareholder:

Sberbank of Russia

Head Office address:

32A-1, Nezavisimosti Avenue, Minsk, 220030, the Republic of Belarus

Regional network:

58 sales offices in 35 towns and cities



Regional network



Licences

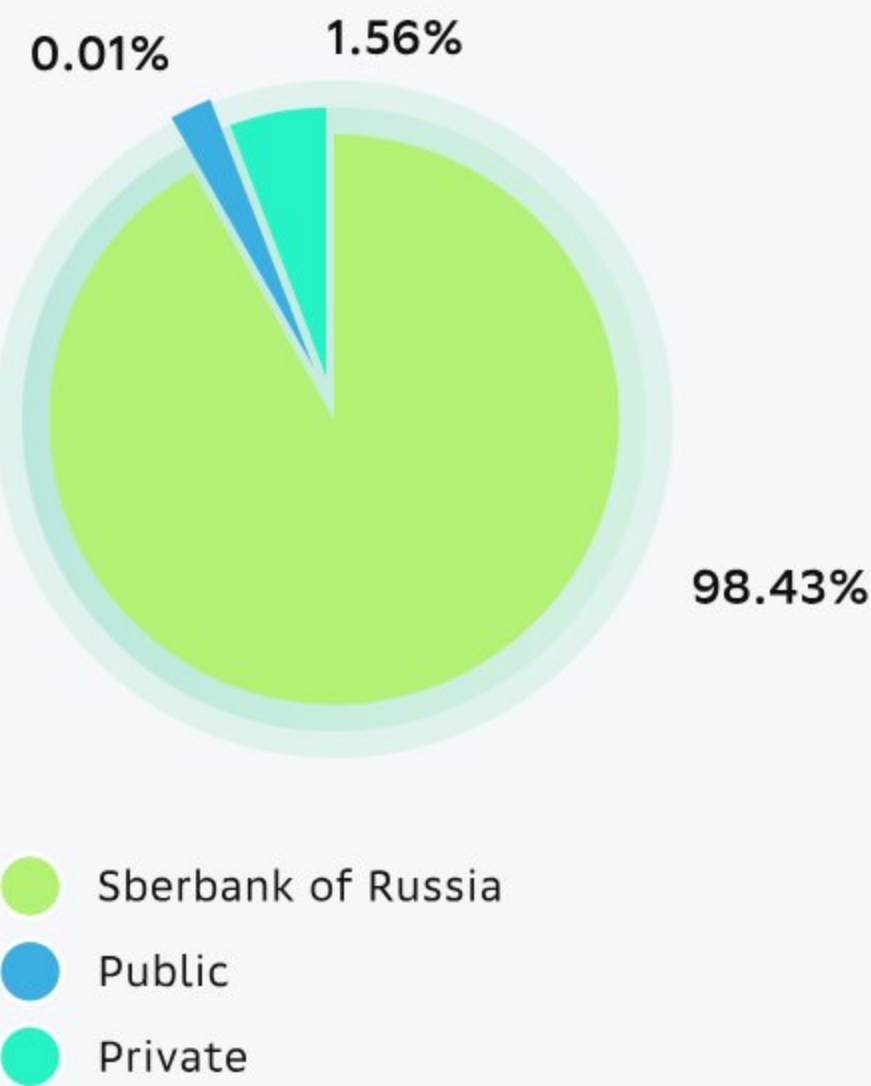
Banking licence No. 4 dated 04.02.2025 issued by the National Bank of the Republic of Belarus.

Special permit (licence) 02200/5200-1246-1086 for professional and stock market activities with securities issued by the Ministry of Finance of the Republic of Belarus, registered in the Unified Register of Licences under No. 39220000071147.

Equity

- The Bank’s equity amounts to BYN 73.58 million.
- The Bank’s equity is divided into 1,470,828,888 common shares and 870,805 preference shares.
- The total number of shareholders is 13,766 legal entities and individuals.

Equity structure



Rankings in the financial market of the Republic of Belarus (as of 01.01.2025)

Indicator	Market share
Assets	4.7%
Equity	4.3%
Corporate loans	3.3%
Retail loans (excluding preferential loans)	6.6%
Corporate funding	6.8%
Retail funding	4.8%
Profit	5.2%



Awards in 2024

CLEVER PRODUCT DEMO DAY

NOMINATION



BEST DESIGN AND GUI (PWA VERSION
OF SBERBANK ONLINE)

THE REPUBLICAN CONTEST LEADERS OF DIGITAL ECONOMY 2024

NOMINATION



SOFTWARE PRODUCT OF THE YEAR (CASH-CYCLE AUTOMATED SYSTEM)



DIGITAL SERVICE OF THE YEAR (CREDIT POTENTIAL PRODUCT)



FIRMWARE PRODUCT OF THE YEAR
(FLOAT NOTES CASH DISBURSEMENT ALGORITHM)

Key Financials

Sber Bank is ranked among the top 3 banks with foreign and private capital by business volume and profit

6.6 BILLION BYN

ASSETS

968.4 MILLION BYN

CAPITAL

186.9 MILLION BYN

PROFIT

19.1 %

CAPITAL ADEQUACY

482.5 MILLION BYN

NET OPERATING INCOME

795.6 THOUSAND

ACTIVE CLIENTS

18.9 %

ROE

516.6 THOUSAND

ACTIVE CLIENTS IN DIGITAL CHANNELS

49.2 %

CIR

60.9 %

SHARE OF SALES IN DIGITAL CHANNELS



MARKET SURVEY

- 10 MACROECONOMIC ENVIRONMENT IN THE REPUBLIC OF BELARUS
- 11 BANKING SECTOR

Macroeconomic Environment in the Republic of Belarus

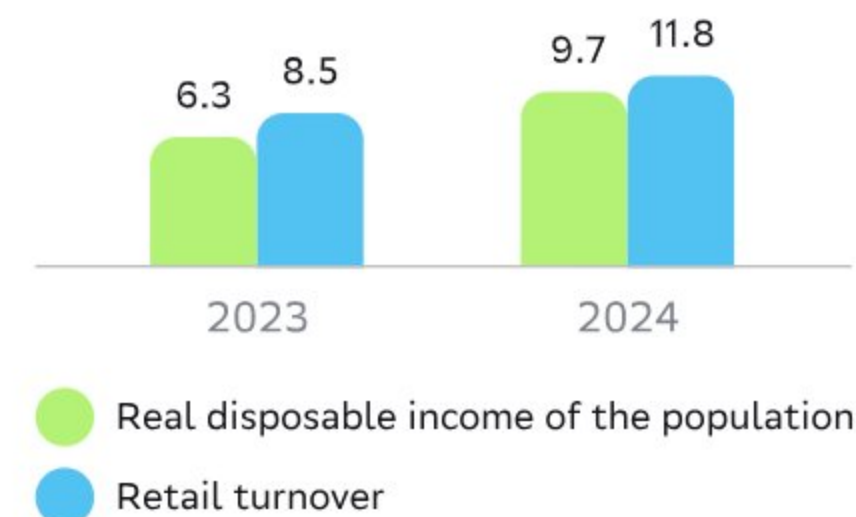
Inflation and refinancing rate, %



Balance of foreign trade in goods and services, USD mln



Personal income and retail turnover, increase %



Based upon results of 2024, the dynamics of the main macroeconomic indicators of Belarus was positive. The key factor of economic growth was the stimulation of domestic demand, both through investment activity and growth of household income.

In 2024, investments in fixed assets increased by 8%. In the structure of investments, construction and installation works increased by 8.4%, equipment purchase costs grew by 11.8%. At the same time, about 65% of the total investment volume was directed to the public sector of the economy.

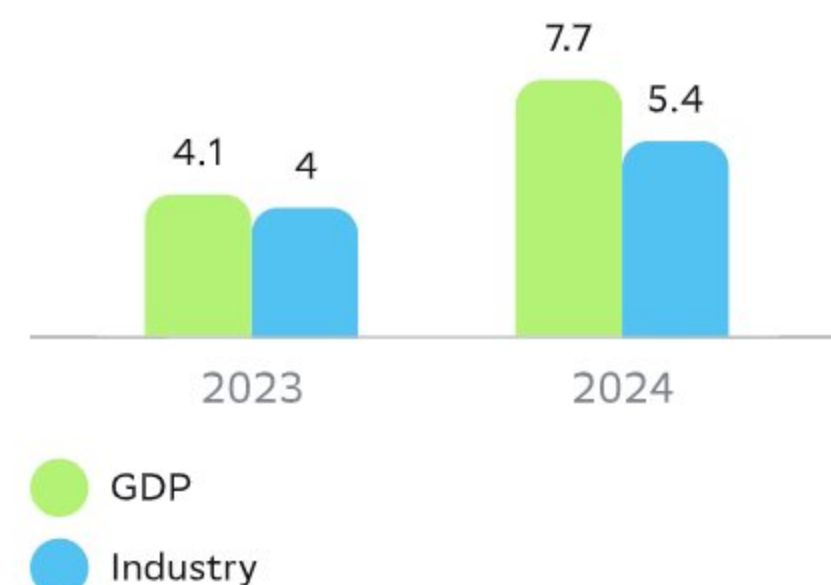
High investment activity supported positive growth rates in the production industry: by the end of 2024, industrial production grew by 5.4%.

The second channel for stimulating domestic demand – household incomes – also demonstrated high positive dynamics. In 2024, the average nominal accrued wages grew by 19.4%.

BYN rate



GDP and industry, growth %



An important factor in the growth of real disposable personal income (inflation-adjusted income) was the administrative regulation of prices, which resulted in the inflation rate of 5.2% (December 2024 to December 2023). As a result, by the end of 2024, real disposable income of the population increased by 9.7%.

The growth of incomes caused high growth rates of retail turnover by 11.8%. The main contribution was made by trade in non-food products, sales of which increased by 17.6%.

At the end of 2024, exports of goods and services increased by 3.5%, imports – by 6.8%. As a result, a negative foreign trade balance of USD 1.3 billion was formed against a positive balance of USD 0.3 billion in 2023.

Despite the reduction of foreign trade operations, gold and foreign currency reserves grew by USD 0.8 billion in 2024 and amounted to USD 8.9 billion as of 1 January 2025. The main growth factor was the increase in the value of monetary gold (by USD 0.9 billion).

Under the influence of the volatility of the Russian rouble in 2024, the Belarusian rouble lost value to the US dollar by 9.3% and gained value to the Russian rouble by 4.3%.

Banking Sector

In spite of external restrictions and adaptation to the new conditions of the economy functioning, the banking system at the end of 2024 maintained stability and profitability due to the growth of income and reduction of allocations to reserves.

143.4

BILLION BYN

+12.3 %

ASSETS

24.7

BILLION BYN

+14.3 %

EQUITY

3 599

MILLION BYN

+22.4 %

PROFIT

In the reporting year, assets of the banking system increased by 12.3% and amounted to BYN 143.4 billion. The main growth of assets was provided by state-owned banks.

The banking sector’s profit grew by 22.4% year-on-year and exceeded BYN 3.6 billion. The main driver of profit growth was the increase of net interest income by 19.5% and the decrease in allocations to reserves by 18%.

Return on assets of the banking system amounted to 2.9%, return on capital – 16.4%.

Exposure on loans granted to sectors of the economy increased by 16.8% to BYN 85.1 billion.

The total loan portfolio of legal entities amounted to BYN 59 billion, an increase of 12.5% was attributed to lending in the national currency due to the preservation of low rates in BYN.

Retail loans grew by 27.7%. Consumer lending (+45.8%) was the main driver of retail loans.

Deposits placed with banks increased by 17.3% over the year. The volumes of corporate and retail funding increased by 17.9% and 16.6%, respectively, mainly due to time deposits in the national currency.

The share of non-performing assets in the assets subject to credit risk amounted to 3% (- 2 p.p.) as of 1 January 2025.



CORPORATE BUSINESS

- 13 CORPORATE BUSINESS IN 2024
- 14 LENDING
- 15 MICRO AND SMALL BUSINESS DEVELOPMENT
- 16 REMOTE BANKING SERVICES AND TRANSACTIONAL BUSINESS
- 17 ACQUIRING
- 17 SERVICE PRODUCTS
- 18 CLIENT JOURNEY
- 19 INTERNATIONAL BUSINESS

Corporate Business in 2024

45 THOUSAND
ACTIVE CLIENTS

63 %
NPS

9.2 SCORE
CSI

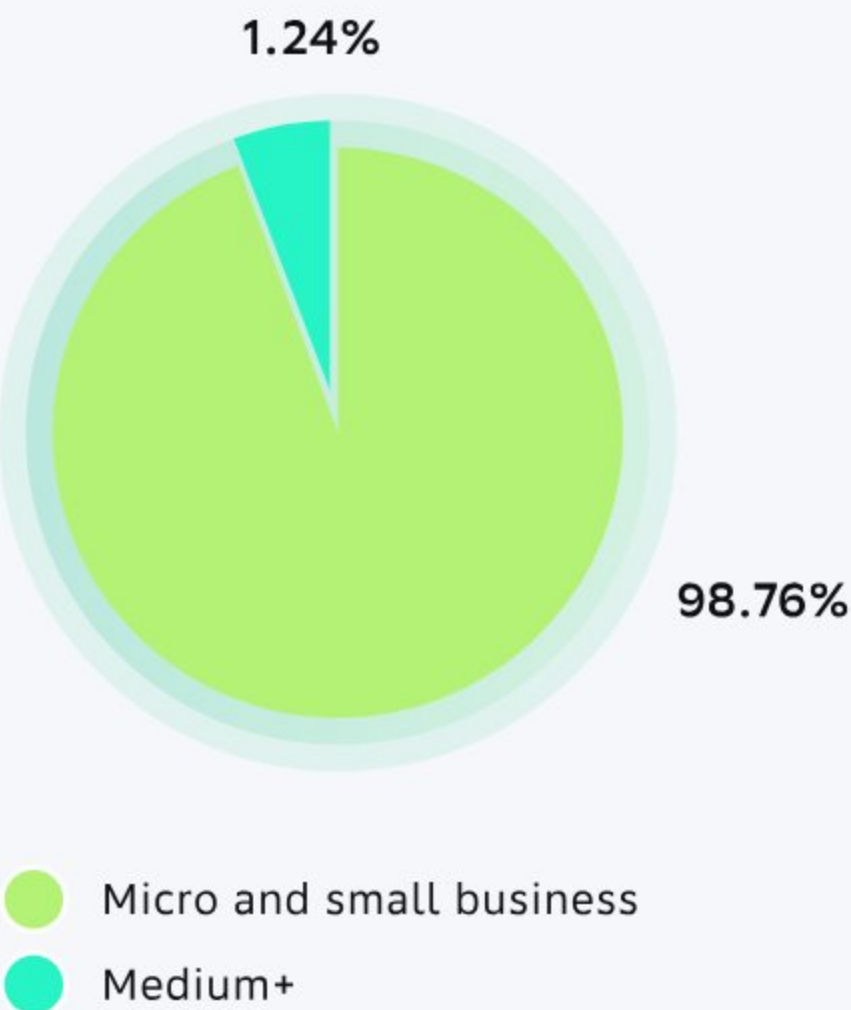
40.1 %
DAU/MAU

2.3 BILLION BYN
LOAN PORTFOLIO

3.1 BILLION BYN
CLIENT FUNDING

91 MILLION USD
TRADE FINANCE DEALS

Client base structure



Lending

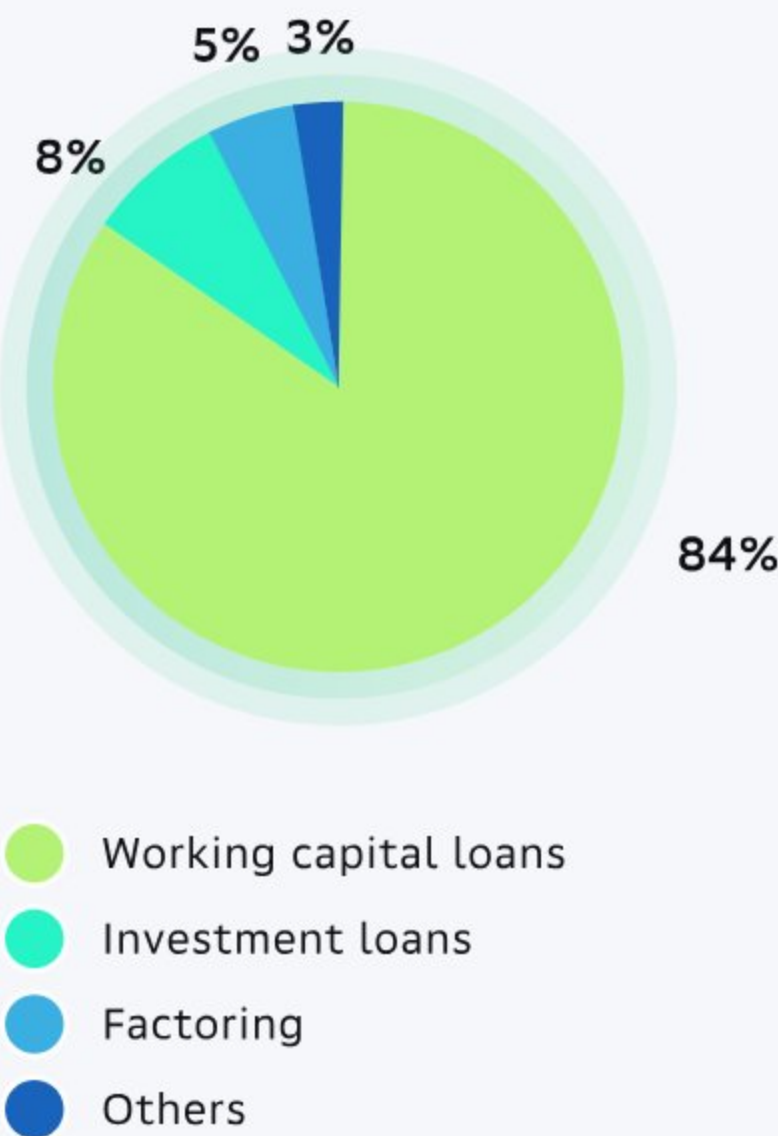
2.3 BILLION BYN

LOAN PORTFOLIO

102 MILLION BYN

FACTORING PORTFOLIO

Loan portfolio structure



The corporate loan portfolio as of 01.01.2025 made BYN 2.3 billion.

The focus industries forming the corporate loan portfolio are trade and repair, manufacturing, mining, and professional activities.

We are constantly working to improve the lending processes and develop new products.

In 2024, Smart Technology was deployed in the Small business segment.

As part of the process upgrade, we increased the approval level from 40% to 60% and the maximum amount for the entire product line from BYN 600 thousand to BYN 1 million.

State-owned organizations were given the opportunity to obtain loans for technology upgrade purposes without sureties and collateral.

In addition, we continued to develop the ‘Business Express’ loan product (micro loan): clients are sent a pre-approved financing offer drawn with the use of model assessment of MSB segment clients’ loan transactions based on transactional data. No financial statements are required to obtain a loan, and the loan decision is made according to a simplified procedure within 1-2 business days.



Micro and Small Business Development

43.5 THOUSAND

ACTIVE CLIENTS

649 MILLION BYN

LOAN PORTFOLIO

Micro and small business (hereinafter – MSB) development is a priority for the Bank.

The share of loan indebtedness of MSB segment clients in the total corporate loan portfolio amounted to 29%.

At year-end, we increased our active MSB client base, which reached 43.5 thousand active clients. Building up the client base in this segment allows the Bank to significantly diversify risks.

In 2024, we continued to develop remote MSB client acquisition channels. The share of the partner channel increased by 2.3 p.p. as compared to 2023 and amounted to 40.2% as of 1 January 2025.

The Bank is ranked fourth in the banking system in terms of the loan portfolio of individual entrepreneurs.



Remote Banking Services and Transactional Business

Transfer of products for corporate clients into electronic service channels is one of the most important areas of transaction business development. Digitization of transactional products and expansion of the online services range creates convenience and speeds up the use of banking products for our clients.

In 2024, significant work was done to improve and develop services provided to corporate clients in remote service channels. The functionality of the remote banking system was expanded with the following functions related to transactional products and services:

- Payment of the state duty through the USIS payment system.
- Ordering a reference in any form.
- Verification of the counterparty under the document.
- Viewing currency exchange rates for tomorrow.
- Viewing information on the contents of service packages.
- Full deposit management in the mobile application.
- Opening the first account for an individual entrepreneur with identification via MSI by SMS code.

In order to build up the client base, we held a promotion ‘Test Drive for Business – 24’ aimed at legal entities and individual entrepreneurs of the micro and small business segment who opened a current (settlement) account in Belarusian roubles for the first time with Sber Bank.

The participants of the campaign were given an opportunity to enable service packages with a nominal subscription fee for three months upon opening a current account in Belarusian roubles.

We onboarded more than 4 thousand micro and small business clients as part of the campaign.

In order to achieve the Bank’s strategic goal of increasing cross-border flows between the Russian Federation and the Republic of Belarus, we launched a new package of cash and settlement services ‘Sber VED + favourable rate’. The package includes favourable conditions for transfers to Sberbank of Russia, as well as a differentiated margin on foreign exchange transactions throughout the year.

In the reporting year, we completely revised the service package line for corporate clients. The packages include the most popular services with differentiated fees and a conditionally free service model.

In addition, the Bank entered into an agreement to provide Sberbank of Russia with services to identify the Bank’s corporate clients in order to enter into banking services agreements with them, including opening a current account and remote banking services.



Acquiring

The main areas of acquiring development presuppose the creation of new products and services for clients.

During 2024, we carried out the following activities:

- Introducing a multi-acquiring service with two multi-acquiring banks; due to that service, it became possible to accept bank cards tokenized in ApplePay and SamsungPay payment services, as well as Visa and Mastercard MPS cards at Sber Bank Smart Cash Desk.
- Adding two new software cash registers (iKassa and 4ek) to Sber Bank's Smart Cash Desk.
- Finalizing remote acquiring services in SBBOL to improve the client journey.
- Replacing terminal equipment installed at the clients' at the expense of the Bank and registered with BPC OJSC, with terminals connected to the Bank's processing.

In 2024, corporate card servicing was transferred to a new technological platform with free card replacement.

Service Products

Focusing on the needs of our clients, we pay considerable attention to the quality level of service provided.

In order to improve security and strengthen business relations between our clients and their counterparties, the Counterparty Verification campaign was extended.

Within the framework of the campaign, corporate clients may verify up to 30 potential partners per month from Belarus, Moldova, Kazakhstan, Russia and Kyrgyzstan.

Access to the service is available for the users of SBBOL remote banking service system. The service helps the client assess economic and other risks pertaining to its counterparty and take appropriate management decisions when making payments via SBBOL.

In order to simplify the client journey, SBBOL was upgraded and made available to clients directly when creating a document.

Client Journey

63 %

NPS

9.2 SCORE

CSI

69 %

CES

In order to provide clients with a high level of service, we are constantly working to improve the client journey.

The Bank's client experience management system includes a detailed study of the main indices of perception of interacting with the Bank: customer satisfaction index (CSI), net promoter score (NPS), customer effort score (CES), which are measured across all interaction channels. Analysing the dynamics of metrics allows timely response to key needs and lagging areas.

In 2024, we increased the loyalty of corporate clients: NPS amounted to 63%, the index of general satisfaction of corporate clients with the Bank's work (CSI) made 9.2, while the Customer Effort Index (CES) amounted to 69%.

In the reporting year, 125 client journey surveys were carried out. The tools used allow us to promptly improve our processes, products and services.

An important area of client experience management is the system of handling inquiries aimed at increasing customer satisfaction and loyalty, ensuring high quality of handling incoming inquiries, improving the Bank's products and processes, including the process of handling inquiries.

In order to achieve these goals, we are working towards the following main tasks: reduction of time for review of applications, timely and complete informing of applicants on the results of application review, arranging for the system of prompt response to incoming client applications taking into account their nature and content, ensuring prompt and constructive analysis of applications received by the Bank depending on their type and channel of communication, identifying and eliminating causes of negative client feedback.



International Business

91 MILLION USD

TRADE FINANCE DEALS

370

DEALS EXECUTED

The total amount of trade finance deals executed by the Bank equalled USD 91 million. During the year, we executed 370 deals on opening and discounting letters of credit, issuing bank guarantees, drawdowns under two-factor transactions.

Two-factor factoring transactions are a priority direction. In the reporting year, we concluded new agreements for RUB 717 million, and extended the existing agreements for RUB 235 million. The clients executed 116 drawdowns for RUB 1.27 billion thereunder.

Considerable attention was paid to the development of the new product for the banking system of the Republic of Belarus – escrow accounts.

In the reporting year, Sber Bank was appointed the agent bank under two new agreements concluded between the Government of the Republic of Belarus and foreign leasing companies under Decree of President of the Republic of Belarus No. 466.



RETAIL BUSINESS

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- 22 PREMIUM SEGMENT CLIENT SERVICE
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- 24 RETAIL FUNDING
- 25 CARD PRODUCTS AND SERVICES
- 26 REMOTE BANKING SERVICE OF RETAIL CLIENTS
- 27 RETAIL SALES AND SERVICE CHANNEL DEVELOPMENT
- 28 TRANSACTIONAL BUSINESS

Retail Business

3RD RANK

RETAIL LENDING MARKET

1 472 MILLION BYN

LOAN PORTFOLIO

1 117 MILLION BYN

CONSUMER LOAN PORTFOLIO

1 735 MILLION BYN

RETAIL FUNDING

1.2 MILLION

CARDS IN CIRCULATION

751 THOUSAND

ACTIVE CLIENTS

2RD RANK

CONSUMER LENDING MARKET

6.6 %

SHARE IN RETAIL LOANS (EXCLUDING BENEFICIAL LOANS)

11 %

SHARE IN CONSUMER LOANS (EXCLUDING BENEFICIAL LOANS)

4.8 %

SHARE IN RETAIL FUNDING MARKET

4TH RANK

BANK PAYMENT CARDS MARKET (EXCLUDING STATE-OWNED BANKS)

486 THOUSAND

MAU

60.2 %

SALES IN DIGITAL CHANNELS:

33.7 %

SALES IN SBOL
(WITHOUT OTHER CHANNELS)

14.9 %

SALES IN PHYGITAL
(EXECUTED IN SBOL)

11.6 %

SALES IN PARTNER CHANNEL
(PARTNER ONLINE LENDING)



Retail Clients

751 THOUSAND

ACTIVE CLIENTS

In 2024, the Bank managed to increase its client base by 16% to 751 thousand individuals. At the same time, the role of digital channels in attracting new clients remains: ~25% of clients are onboarded online.

Personalization is an important area of client relations development. The accumulation of client data, the use of advanced tools of customer analytics and data processing allow personalizing products, services and communications with clients.

Machine Learning plays a significant role in building analytics. In 2024, we developed five ML models predicting the best course of action to prevent client outflow, tailor the parameters of proposed deposits, making an optimal offering to the client to optimize profitability or conversion within secondary sales campaigns.

To improve the existing technologies and make it more convenient for clients to communicate with the AI-assistant, from the end of 2024, LLM (Large Language Models) are used in the virtual bot Alesya that serves clients in the chat room of the Client Support Centre.

Premium Segment Client Service

In the reporting year, we continued to pay special attention to servicing premium clients, providing a high level of service and an individual approach to each client. Personal banking services are available to our clients in the specialized office for VIP clients SberPremier (Minsk), 21 SberPremier zones across the country and in the SberPremier remote format.

We are constantly working to improve the quality of service by offering unique solutions to meet the needs of our clients. Thanks to these efforts, the number of VIP clients increased by 35% during the year.

As part of the development of premium client service, we implemented the following service and product solutions:

- A new format office to serve SberFirst VIP clients at the address: 32A-1, Nezavisimosti Avenue, Minsk
- New service package products based on the Belkart Maximum premium payment card: Ultra Card 2.0 and SberMaximum
- Finalization of VIP Client and Premium Client identifiers in the SberBank Online client profile
- Redesign of the SberPremier section and development of new pages for the SberFirst section of the Bank's website
- A series of training events, with external business trainers invited, to improve the competencies and skills of account manager
- Special offers for clients from Premium segment partners and meetings of SberPremier Club members.

According to the results of regular surveys in 2024, premium clients rated personal service in Sber Bank at no less than 9.8 points, which indicates a decent level of service.



Retail Lending

3RD RANK

RETAIL LENDING MARKET

6.6 %

SHARE IN RETAIL LOANS (EXCLUDING BENEFICIAL LOANS)

1 472 MILLION BYN

LOAN PORTFOLIO

2RD RANK

CONSUMER LENDING MARKET

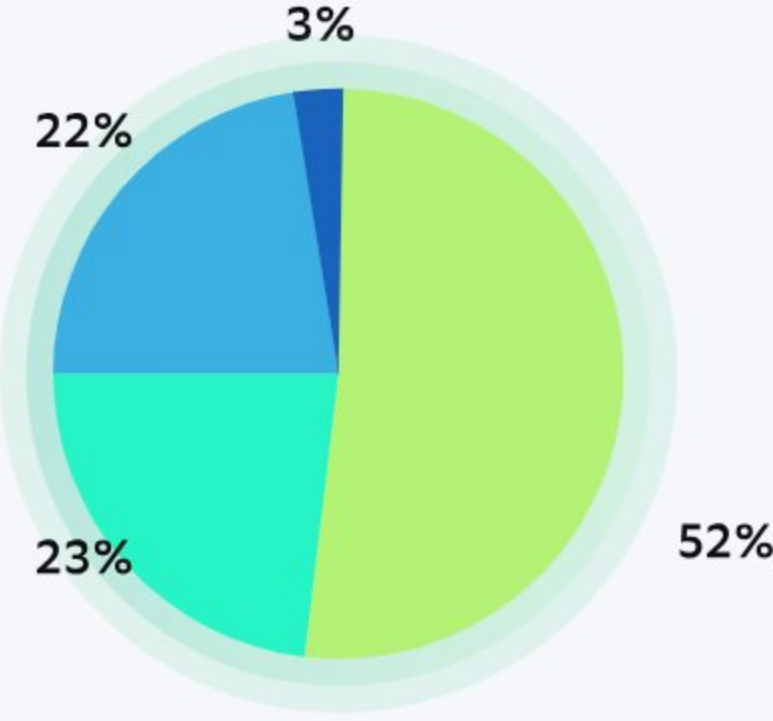
11 %

SHARE IN CONSUMER LOANS (EXCLUDING BENEFICIAL LOANS)

1 117 MILLION BYN

CONSUMER LOAN PORTFOLIO

Loan portfolio structure



- Consumer purposes
- Real estate
- Car purchase
- Overdraft

During the year, we took measures to update and improve our product line.

The main focus in retail lending was consumer lending.

A unique for the market service ‘Credit Potential’ was introduced, which allows clients to assess their chances to obtain a loan taking into account their income and credit burden, in online mode 24/7 at any corner of the country. The Bank is constantly working to improve the client journey when applying for a loan.

Within loan product line improvement, we focused on the development of POS-lending and expansion of partner cooperation with leading trading platforms.

The ‘Arrow’ product was modified in terms of launching online lending and increasing the speed of loan application processing.

To increase the volume of lending to the population for the purchase of domestically produced goods, the Bank maintains special conditions under the product ‘Buy with Sber Bank!’.



Retail Funding

1 735 MILLION BYN

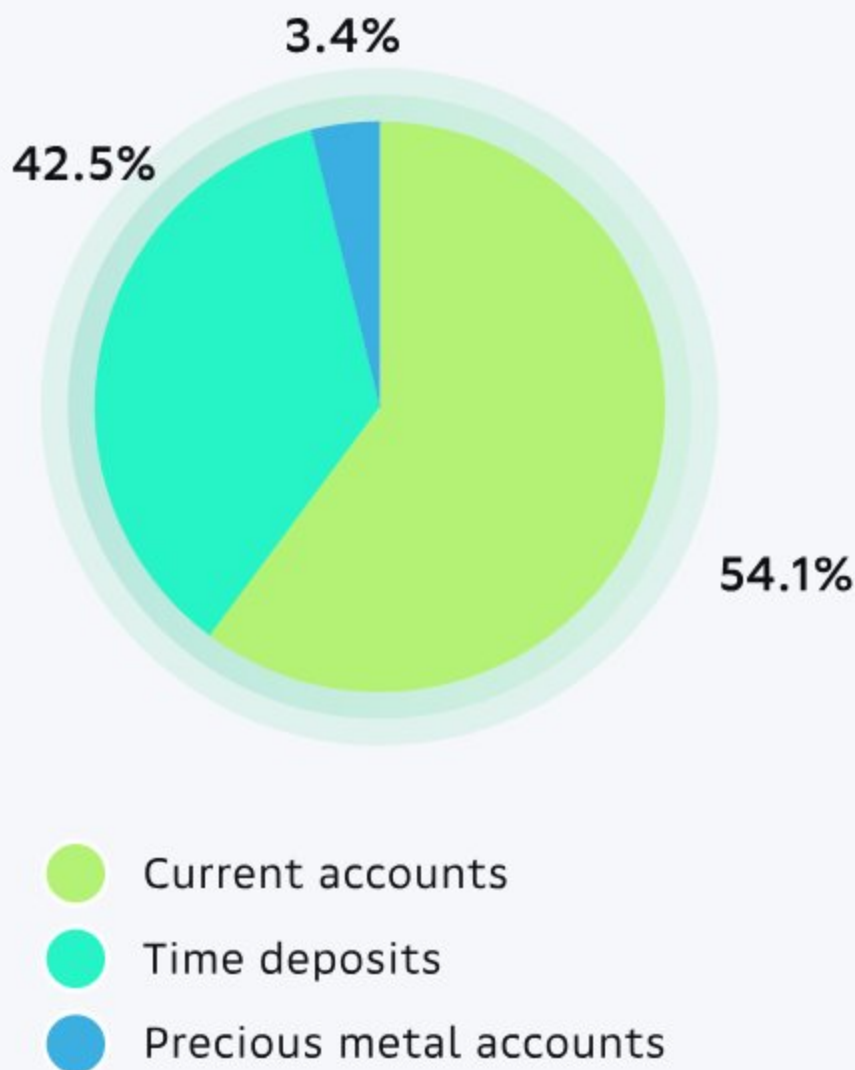
RETAIL FUNDING

In the reporting year, the Bank continued to increase the deposit portfolio in Belarusian roubles.

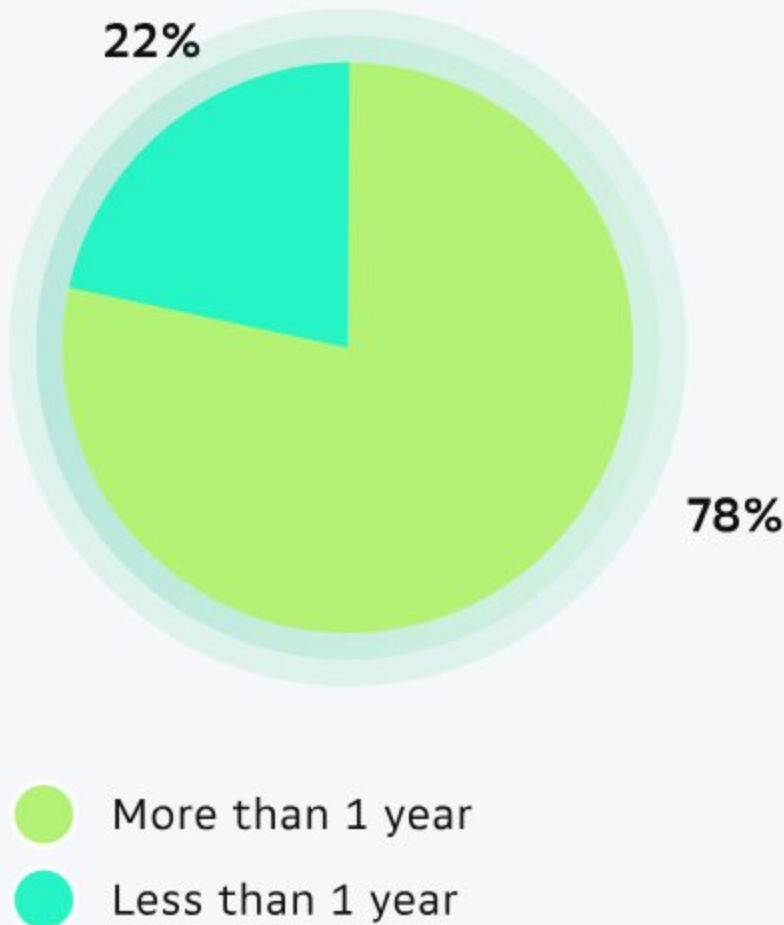
We gave priority to attracting irrevocable deposits maturing one year and above as a key element of long-term funding.

In 2024, the deposit portfolio in Belarusian roubles increased more than 2.5 times.

Retail funding structure



Time deposit structure by tenors





Card Products and Services

4TH RANK

BANK PAYMENT CARDS MARKET

1.2 MILLION

CARDS IN CIRCULATION

2ND RANK

NUMBER OF TOKENIZED CARDS IN BELKART PAY MOBILE APP

In the reporting year, the Bank continued to modify the card product line, increase qualitative and quantitative indicators of card portfolio efficiency on the basis of the Belkart national payment system.

The activities carried out made it possible to:

- Increase the total volume and share of payments in e-comm, including in TOP merchants.
- Continue popularization of payments via mobile phone (Belkart Pay).
- Increase the number and share of active cards in circulation.
- Improve the existing and introduce new card products, including:

SberCard: the flagship product for the mass segment with an optimal set of categories and additional points from partners (including a digital SberCard with free and instant issuance in the SberBank Online application).

UltraCard 2.0 and SberMaximum: new cards for premium segment clients.

Balance+ with a basic account: a socially important product added to the Loyalty Program with all its privileges.

Since January 2024, Sber Bank Online has integrated the Loyalty Program service based on artificial intelligence.

Currently, 180 thousand cardholders receive points for daily payments in selected categories and at partners.



Remote Banking Service of Retail Clients

60.2 %

SHARE OF SALES IN DIGITAL CHANNELS:

33.7 %

SHARE OF SALES IN SBOL
(EXCLUDING OTHER CHANNELS)

14.9 %

SHARE OF SALES IN PHYGITAL
(EXECUTED IN SBOL)

11.6 %

SHARE OF SALES IN PARTNER CHANNEL
(PARTNER ONLINE LENDING)

In the reporting year, the number of active users of SBOL increased (+13%) and amounted to nearly 486 thousand.

To increase client loyalty, we redesigned the client registration process in the mobile application and WEB (PWA) version of SBOL. Changing the way of registering a new client in SBOL resulted in a reduction of time from 11 to 7.7 minutes. After the upgrade, the existing SBOL users received the opportunity to use the mobile phone number as a login.

The client journey for online deposits was improved, allowing clients to easily select the right product, calculate the benefits and compare deposits using an online calculator.

The above changes contribute to an increase in conversion to deposit sales of at least 20% compared to the previous client journey. In addition, the implementation of an initiative to automatically trigger notifications to clients about an incomplete product transaction (cards, loans, deposits) had an impact on the increase in the conversion of client paths in SBOL.

As part of SBOL popularization, an image generation service using the Kandinsky neural network was introduced. This service allows the client to generate an image based on a text request, set it as a screen saver when logging into the SBOL application, and save it to the device.

The service confirms the Bank’s human-centred and tailored approach to each client. Within six months, the service was used by about 13.6 thousand unique users, and more than 200 thousand images were generated.



Retail Sales and Service Chanel Development

In the reporting year, we continued to develop sales tools, improve user paths, and increase the maturity level of our sales teams.

As part of SMART office development and improvement of the mobile workplace of sales managers, we:

- Developed and introduced a new sales tool: real-time campaigns in SBOL.PRO, a presentation layer for the Bank's key products.
- Optimized user paths in SBOL.PRO: we integrated SBOL.PRO with the electronic queue, created new client card using OCR-technology (scanning of client documents with subsequent automatic filling of fields in the client card). The use of this technology allowed to reduce the time of card creation by four times and minimize the number of data errors due to automatic entry.

For new specialists with a focus on the practical part, the Welcome training and the Key Sales Stages and Skills training were redesigned. In 2024, 90% of new specialists in the sales and transaction domains were covered by the trainings.

In order to maintain the skills and knowledge of regional network specialists, we carry out monthly technical training, testing, and knowledge checks in key areas.

In addition, we held a tender and chose the partner to carry out mystery shopper marketing research.

Active work was done to develop soft skills of the team:

- We introduced the practice of individual coaching sessions for managers, allowing to set clear goals and find the most effective ways to achieve them, contributing to the improvement of communication in the team.
- We developed and conducted the training 'Professional Resilience or How to Keep Stress and Burnout Under Control', which provided employees with tools to help them properly manage acute stress.



Transactional Business

In the reporting year, the Bank developed and improved retail transaction products.

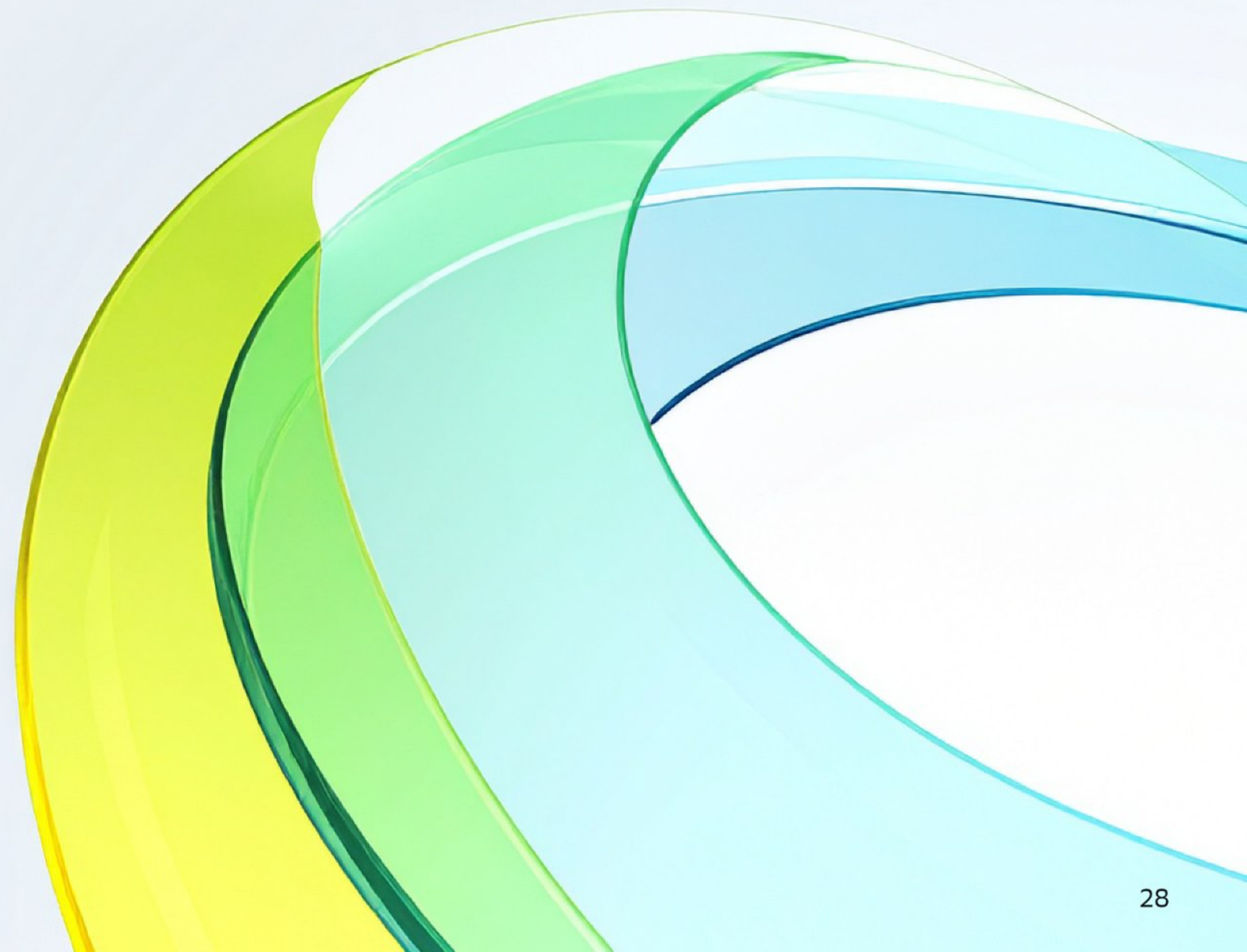
To increase the efficiency and attractiveness of cash currency exchange transactions involving individuals, we altered our approaches to managing cash exchange rates. The number of cash currency exchange transactions performed by clients increased by 18% over the year.

As part of the development of cross-border interaction with the Russian Federation, we implemented the following:

- Product offer of 'free' transfers to Sberbank of Russia (using the phone number): we added SberPrime.Transfers package with 0% commission, which can be enabled in the web version of SBOL.
- Possibility to transfer funds in favour of Russian mobile operators via USIS.

We continued to increase the volume of transfers to Sberbank of Russia using the phone number, available in SBOL. During the reporting year, the number of transfers made increased by 19.6%, the volume of transfers sent in RUB increased by 20.6%, and 8.7 thousand new clients were attracted.

To simplify and improve the client's interaction with the product, we upgraded the client paths in SBOL for random transfers and SWIFT/Sber FinLine transfers, respectively.





CLIENT SUPPORT CENTRE



Client Support Centre

1.5 MILLION

COMMUNICATIONS WITH CLIENTS
(INBOUND + OUTBOUND)

9.3 SCORE

CSI

The total volume of communications of the Client Support Centre (hereinafter – the Centre) with retail and corporate clients in 2024 amounted to 1.5 million contacts. More than 80% of contacts were through the telephone channel.

CSI score is 9.3 at year-end in two areas (retail client service and corporate client service), with an average response time of 28 seconds for retail clients and 35 seconds for corporate clients.

For retail clients, we preserve the option of servicing in the automatic mode by the virtual assistant, without the need to wait in a queue. For corporate clients, the virtual assistant is available in a multimedia channel 24/7 with the possibility of ordering a call during the main service line downtime.

In order to build effective communications with clients, the Centre is continuously working on the development of service processes. We analyse the incoming traffic and frequently asked questions on a regular basis in order to optimise business processes and simplify client paths.

Throughout 2024, we organised:

- For corporate clients: 24/7 terminal equipment support and a support line for the Bank’s partners.
- For retail clients: the opportunity not only to receive advice at the Customer Support Centre on car loans, but also to apply remotely.

Integration of AI technologies into the Centre’s processes continued: we launched a pilot chatbot based on GiGaChat, and started implementing an AI assistant using GiGaChat for operators.



REGIONAL NETWORK

Regional Network

58 SALES LOCATIONS

- 6 REGIONAL DIRECTORATES
- 36 ADDITIONAL OFFICES
- 16 REMOTE DESKS

The Bank’s retail regional network consists of 58 sales locations. The Bank is present in 35 towns and cities.

In 2024, as part of the regional network transformation, 2 offices were opened in Brest and Minsk, 3 offices were relocated in Brest, Baranovichi, and Minsk.

Sber Bank maintains the trend towards open, easily transformable and barrier-free spaces that are pleasant for employees to work in and comfortable for clients to receive services.

All new-format offices have convenient co-working areas where one can sit down with a laptop, connect to free Wi-Fi and take care of day-to-day business.

Each office is equipped with electronic cashiers, which allow satisfying any client’s need on a one-window basis.

The Bank provides its clients with the opportunity to obtain services in any place convenient for the client, both in and out of the office. Each sales manager is equipped with a tablet, which allows for quality consultation and execution of any banking product and service.

The Bank implements innovative solutions to protect clients’ funds from fraudulent schemes, and its employees are always vigilant to protect the clients’ interests.





OPERATIONS IN FINANCIAL MARKETS

- 34 CORRESPONDENT RELATIONS
- 34 STOCK MARKET
- 35 FOREIGN EXCHANGE MARKET
- 35 PRECIOUS METALS MARKET



Correspondent Relations

55

NOSTRO ACCOUNTS

105

LORO ACCOUNTS

Sber Bank is constantly working on expanding its correspondent network, searching for new settlement directions and currencies.

To expand the geographical coverage of payments and provide our clients with a wider range of settlement services, we opened a Nostro account in Indian rupees in 2024.

Also, additional Nostro accounts in Chinese yuan, Tajik somoni, Russian roubles and Loro accounts in precious metals and Chinese yuan were opened to enable alternative settlements. A total of 6 Nostro accounts and 6 Loro accounts were opened during the year.

Stock Market

789.5 MILLION BYN

BOND PORTFOLIO

Sber Bank traditionally provides its clients in all regions of Belarus with a wide range of services in the securities market.

As of 01.01.2025, the volume of the Bank’s bonds placed with legal entities and individuals amounted to BYN 147 million. During the year the volume of funds attracted through bonds exceeded BYN 350 million in equivalent.

In 2024, the Bank carried out 6 bond issues, in total there were 13 issues of the Bank’s bonds for individuals and legal entities in circulation.

The volume of the bond portfolio acquired by the Bank equalled BYN 789.5 million.

Much attention was paid to rendering depository services to legal entities and individuals. As of 01.01.2025, the Bank’s depository provided depository services to 283 issuers of securities and more than 94 thousand depositors.

The Bank’s depository is among the three largest bank depositories of the Republic of Belarus, ranking the 3rd out of 13 bank depositories by the number of shares and bonds issuers serviced.



Foreign Exchange Market

In 2024, the Bank not only retained its high positions among the participants of the currency exchange market, but also strengthened its status of a market maker and one of the key players both in the domestic foreign exchange market of the Republic of Belarus and in the trades of Moscow Exchange.

Thanks to the Bank's high-tech electronic platform, we continue to provide our clients with services for currency exchange transactions at rates as close as possible to the current market.

In the reporting year, we opened a correspondent account in Indian rupees in order to meet client needs for foreign payments and foreign exchange transactions. This enabled our clients to settle export and import contracts.

We continue to actively develop and promote financial market services for our clients and pay close attention to improving the quality of service in all market segments.

Precious Metals Market

In the segment of banking operations with precious metals with individuals, legal entities and individual entrepreneurs, the Bank holds a leading position among Belarusian banks.

Operations with clients are conducted in the following areas:

- Unallocated precious metals – purchase and sale on unallocated metal accounts and attraction of precious metals into deposits.
- Cash precious metals – purchase and sale of bullion bars and bullion (investment) coins.

Our active work in the domestic market combined with efficient management of the precious metals portfolio allowed the Bank to achieve high results.



RISK MANAGEMENT

- 37 RISK MANAGEMENT SYSTEM DEVELOPMENT
- 38 RISK MANAGEMENT AUTHORITY AND RESPONSIBILITY
- 39 RISK IDENTIFICATION RESULTS IN 2024



Risk Management Strategy

Risk management system development

In 2024, we continued to improve the risk management system and support business divisions of Sber Bank.

Key achievements

- Designed and validated models for lending process automation
- Introduced Credit Potential service
- Carried out a pilot project of graph analytics platform
- Developed and approved the methodology of assessment of operating risk losses in implementing products/processes
- Adopted approaches to setting key operating risk indicators
- Formed up the system for data risk management → started recording incidents
- Altered criteria and approaches for outsourcing risk monitoring
- Introduced the RoRWA methodology and calculation tool for Medium+ segment clients, pilot calculation is in progress
- Started to implement RoRWA in the Medium+ client segment
- Developed the Concept and Roadmap for antifraud activities in corporate business process.

Control and reporting

The Bank applies three lines of defense for efficient risk management

1st line of defense:

Business units

- Risk identification
- Risk detection and primary assessment

2nd line of defense:

Divisions responsible for relevant risks

- Independent assessment of risk level
- Risk level forecast
- Stress testing arrangement
- Reporting
- Development and implementation of measures necessary to comply with the established limits
- Risk assumption
- Risk identification and materiality assessment

3rd line of defense:

Independent assessment of compliance of the risk management system with internal and external requirements. Internal and external audit

- Presentation of the assessment of efficiency of internal control system, risk management, and corporate governance to the Bank's management bodies
- Drawing recommendations to improve the efficiency of such systems

Regulatory
authority

Risk Management Authority and Responsibility

Supervisory Board

- Defines the main directions of development and effective functioning of the risk management system
- Adopts the Strategy Plan of Development of the Bank, the Risk and Equity Management Strategy
- Approves the system of risk tolerance and appetite
- Adopts the Strategy of NPL assets and debts written off to off-balance sheet accounts, the Regulation on the Lending Policy of the Bank, and controls their implementation
- Sets the risk limits for operations subject to credit risk with corporate clients, and deal terms beyond the scope of authority of the Management Board.

Risk Committee

- Monitors risk tolerance and risk appetite
- Evaluates the efficiency of risk management systems of the Bank and its holding
- Presents recommendations on risk management, risk tolerance and risk appetite to the Supervisory Board for review.

Management Board

- Organises the risk management system in the Bank and its holding
- Ensures compliance with risk tolerance and risk appetite parameters, supports risk profile of the Bank relevant to the scale of activities
- Ensures adoption of local regulations of the Bank stipulating the policy, methodologies, and procedures of risk management.

Collective bodies performing risk management functions

Credit risk

- Large Credit Committee
- Small Credit Committee
- Credit Committees of Regional Directorates, decision-making bodies in the 4-eyes and 6-eyes format
- Impaired Assets Committee
- Classification Committee

Market risk. Interest rate risk. Liquidity risk

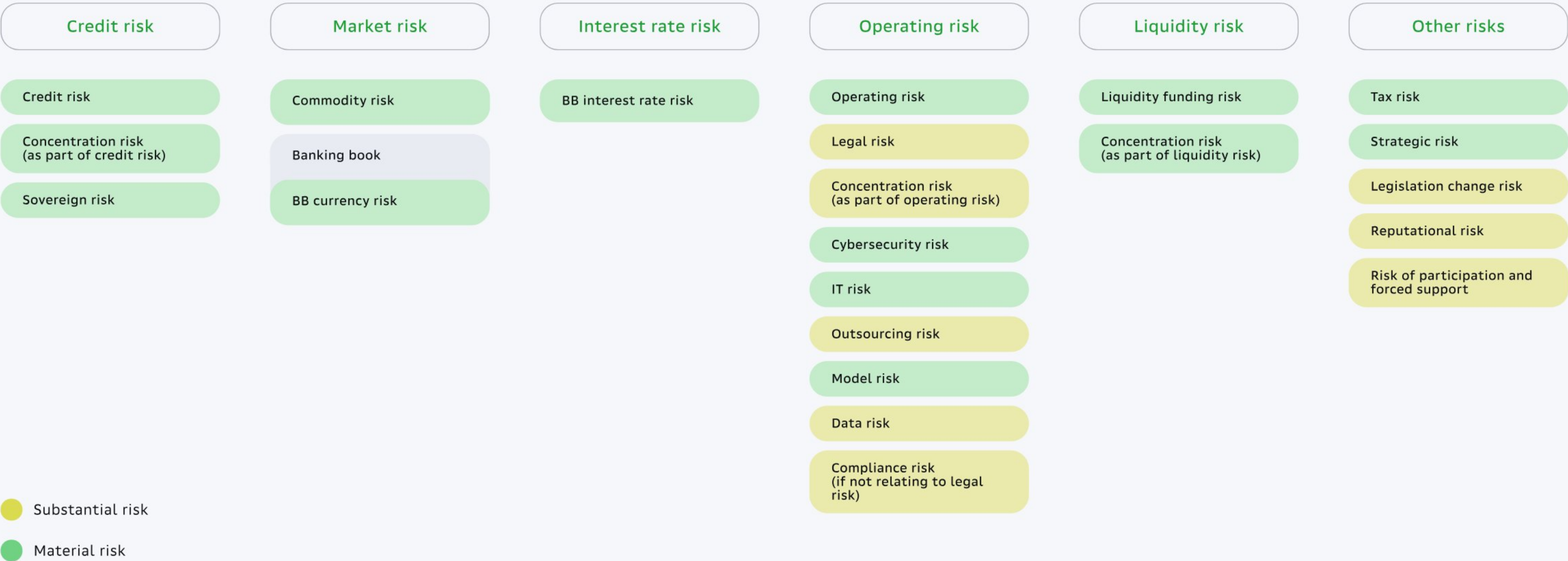
- Assets and Liabilities Management Committee

Operating risk

- Operating Risk Committee
- Projects, Processes, and Technologies Committee
- AIT Committee

Risk Identification Results in 2024

The list of substantial and material risks of the Bank / the Holding according to the identification procedure in 2024





AI DEVELOPMENT

41 AI DEVELOPMENT



AI Development

In 2024, the Bank demonstrated significant achievements in the implementation of models covering key business areas.

We successfully implemented risk management solutions enabling more effective assessment and minimisation of potential threats.

In retail and corporate business, we enhanced the processes, which contributed to an increase in the client base and improved service.

As part of the strategic initiative, we designed and introduced new financial models to ensure sustainable growth and stability of financial performance.

A special achievement was the launch of the first AI-assistant based on Gigachat. The introduction of the AI-assistant will be an important step in the Bank's development and will strengthen its competitiveness in the market.

Thus, 2024 was a period of active implementation of strategies and introduction of innovative technologies, which ultimately had a positive impact on the Bank's performance.





IT TRANSFORMATION

43 INFORMATION TECHNOLOGIES DEVELOPMENT

44 INTRODUCTION OF NEW TECHNOLOGICAL SOLUTIONS



Information Technologies Development

Due to geopolitical restrictions imposed by foreign IT companies and refusal to provide licenses and technical support to ensure reliable and uninterrupted operation of automated systems, we gradually replaced vendor-dependent solutions.

We carried out transition to Open Source solutions, including platform and customized solutions from Sberbank of Russia.

In 2024, we upgraded four storage systems of the Bank's data centre to ensure data growth and IT systems development. The Data Lake project to create a new data warehouse was deployed on new server equipment.

As part of the 'VendorLock. Migration' project stage implementation for migration of software complexes to Open Source and transition to a new technological stack with microservice architecture on Kubernetes, we abandoned obsolete versions of the Payments and TM_View in the Settlement Module software complex.

To meet the requirements of regulatory legislation, requirements and resolutions of the National Bank, in 2024 we finalized the development of internal automated systems. As a result, we implemented:

- The mechanism of payment in the SBBOL of state duty payments for administrative procedures through the USIS system (in accordance with the Decree of the President of the Republic of Belarus No. 172 dated 13.06.2023 "On Amending the Directive of the President of the Republic of Belarus" and in accordance with paragraph 17 of the Action Plan for the Implementation of the Directive of the President of the Republic of Belarus No. 2 dated 27.12.2006 "On Debureaucratization of the State Administration and Improving the Quality of Provision of Life Support for the Population").
- The possibility of the procedure of transition of an individual entrepreneur to a reorganised legal entity with the organisation of the relevant process of transfer of rights and obligations, including the execution of tax liabilities (in accordance with the Law of 22.04.2024 № 365-3 "On amendments to the laws on entrepreneurial activity" and the Regulation on the establishment of a commercial organization founded by an individual entrepreneur).
- The control over entering information on the actual beneficiary and bringing directories into compliance (in accordance with the Instructions on Procedures for Execution of the Republican Budget and Budgets of State Extra-Budgetary Funds by Revenues approved by Resolution of the Ministry of Finance of the Republic of Belarus and the Management Board of the National Bank of the Republic of Belarus No. 143/171 dated 08.12.2005).

The need for effective change management stimulated the Bank to develop new approaches to process optimisation.

As part of this task, we use modern technologies and tools: AI-based platforms and models, end-to-end intellectual analysis of processes based on 'digital traces' in information systems (Process Mining technology), robotisation of individual process functions (RPA technology).



Introduction of New Technological Solutions

In the reporting year, we pursued the initiative to introduce new technology services on the Synapse integration platform of Sberbank of Russia.

To eliminate vendor dependence, we migrated from the Blue Prism platform to the Salute RPA platform using SberCloud (SaaS) cloud technologies.

As part of measures to create a stable functioning of the process of creating documents based on templates of printed forms for the Bank's client products, a new software package 'Printed Forms Module' was developed and put into operation; the functionality of creating documents based on templates of printed forms for client products was launched.

The next stage of the project 'Implementation of the Unified Accounting System' (UAS) for transactions with BPC, deposits, overdrafts of individuals was performed. The functionality was put into pilot operation with a focus group. Putting the URS into commercial operation will allow us to stop supporting two accounting systems and switch to a single software.

In 2024, we introduced a new Task Mining technology, which enables detailed analysis of employee performance and labour costs, as well as identification of routine operations for robotisation or automation. The integration of Task Mining with Process Mining has become a powerful growth driver and an indispensable tool for identifying hidden reserves and optimising the Bank's processes.

In the context of AI implementation, we launched an MVP of the chatbot for the Client Support Centre on GigaChat (the bot Alesya in a text-based unauthorized channel) and an MVP of a knowledge base consultant bot on GigaChat for employees. A pilot project of cloud Co-Pilot tool Giga Code (for IntelliJ IDEA, GigaCode) was conducted.



CYBER SECURITY



Cyber Security

Sber Bank pays considerable attention to cyber threats that have increased in recent years. To ensure cyber security of the banking infrastructure, we use various information protection systems and tools: firewalls, anti-virus software, systems for integrity and configuration control, security analysis, information leakage prevention, collection and correlation of security events, processing cyber security incidents, and fraud monitoring.

We regularly update and upgrade the implemented systems to ensure the required level of security taking into account the growing risks of cyber threats.

Measures are taken to ensure the security of operations using remote service channels:

- Amendments to business processes.
- Upgrade of software complexes, purchase and upgrade of specialized software.
- Regular notification of clients on cyber security threats.

The Bank's high level of cyber security is confirmed by regular third-party audits. In particular, the Bank annually confirms compliance with the requirements of the PCI-DSS international payment systems security standard.

The Bank is constantly cooperating with its parent company to improve data protection, taking into account Sberbank's extensive experience in this area.

In order to minimise sanctions risks, the functionality of cybersecurity systems is transferred to Open Source solutions or solutions that are not subject to sanctions restrictions.

All divisions and processes of the Bank are covered by these measures.





AGILE TRANSFORMATION

AGILE Transformation

4

TRIBES

21

AGILE TEAMS

8

PROJECT TEAMS

>5 000

UPDATES

In 2024, we continued developing the product-oriented approach and using Agile practices.

The key results were:

- Development of a methodology and conducting a pilot on the Growth Team
- Implementation of product tools: Metrics Tree and Product Passport
- Launch of Product Boom, a platform for collecting product ideas
- Introduction of a new role of Business Analyst to improve the efficiency and delivery speed of IT initiatives.

In the reporting year, 4 tribes/ 21 Agile teams and 8 project teams worked on product creation and technology development. We introduced such key products and services as Belkart Maximum, Credit Potential, and the loyalty program ‘Thank You’, redesigned the SBBOL mobile application, improved the functionality of Alesya chatbot, and made contactless card payment in buses available in two cities of Belarus.

Speed and quality of developed were the key areas of improvement in the efficiency of IT production. The average development speed (Lead Time) improved by 17%, total tech debt decreased by 17%, while team productivity increased by 23%, with more than 5,000 improvements implemented.

We paid special attention to the development of employee competencies:

- A new competency diagnostic matrix for the Product manager (PM) role was developed and implemented with integration into the Pulse HR platform.
- Training of the product perimeter on OKR goal-setting, building metrics trees, forming skills of quick hypothesis testing ‘Growth hacking’ was conducted.

As part of the introduction of the new role, we held the training ‘Business Analysis in Software Development’.

The Bank’s expertise in the application of Agile practices and product approach is proved by winning contests and participation of the Bank’s experts in various conferences.

In 2024, the Bank took part in the Project Olympus contest organized by the Analytical Centre under the Government of the Russian Federation. Based on the results of the contest, Sber Bank's team won prizes in two nominations: 1st place – Flexible Management System, 2nd place – Product Management System.

Sber Bank is not only a participant in external conferences on various business topics, but also a platform where experts from various large companies in Belarus and Russia meet each other. In 2024, the conference ‘Digital Transformation with Sber’ was organized at Sber Bank’s headquarters. The event was dedicated to stories of launching and carrying out digital transformation in companies of different forms of ownership. Leading companies from Belarus and Russia shared their experience.

In the reporting year, we held events to increase Sber Bank’s brand awareness among the younger generation. One such event was the SberGeneration program for senior students of leading universities in Minsk. During several weeks, participants gained knowledge from Sber Bank experts in CX, Agile methodology and marketing, worked on solving technical tasks from the retail business with mentors assigned to the teams, and finally presented their own projects.



INTERNAL CONTROL AND COMPLIANCE. INTERNAL AUDIT

- 50 INTERNAL CONTROL AND COMPLIANCE SYSTEM
- 51 INTERNAL AUDIT SYSTEM



Internal Control and Compliance System

The Bank carries out its activities in accordance with the requirements and provisions of the laws of the Republic of Belarus, the Articles of Association, and local regulations of the Bank, as well as taking into account international and group approaches and recommendations.

When organizing and operating the internal control system, the Bank ensures:

- The level of financial reliability and information protection in accordance with the nature and scope of its banking operations and other activities.
- Continuous participation of management bodies in the organisation and functioning of the internal control system, as well as clear distribution of powers to implement internal control, including compliance control.
- Distribution of responsibility between the Supervisory Board, the Audit Committee, the Management Board, other collective bodies, subdivisions and employees at all levels, including the Chief Internal Control Officer of the Bank, compliance control department, internal control department, in accordance with the nature and scope of banking operations and other activities, and interaction between all these participants of the internal control system.

The internal control system in the Bank is aimed at achieving the internal control objectives:

- Efficiency of financial and economic activities in carrying out banking operations and other activities
- Reliability, completeness and timeliness of preparation and submission of accounting (financial), statistical and other reports
- Information protection
- Control over compliance with legislation, requirements of controlling (supervisory) authorities, as well as local regulations and standards of business practice applied by the Bank, which determine its internal policies and procedures, including in the field of prevention of money laundering, financing of terrorist activities and financing of proliferation of weapons of mass destruction (hereinafter – AML/CFT).

The Bank has appointed an officer responsible for internal control, who has been assessed for compliance with the qualification and business reputation requirements in the National Bank, coordinates and controls the activities of the Bank's structural units, functional services and officials, as well as members of the bank holding company on the organization and functioning of the internal control system and on the implementation of internal control.

The organisational structure of the internal control system is tied to the organisational structure of the Bank, the areas of responsibility of the subjects of the internal control system are delimited depending on their participation in business processes and the process of monitoring the efficiency of the said system.

The development of the internal control system in 2024 was aimed at the fulfilment of strategic goals, ensuring financial reliability and information security corresponding to the nature and scale of the Bank's and the bank holding company's activities.

Compliance control is carried out in order to monitor compliance by the Bank, its officers and other employees with legislation, requirements of controlling (supervisory) authorities, local regulations and standards of business practice applied by the Bank, which determine its internal policies and procedures, including in the field of AML/CFT. The Bank has internal control rules for AML/CFT purposes.

The internal control system, including compliance control, is monitored on an ongoing basis. The Bank takes necessary measures to improve internal control, including compliance control, taking into account changing internal and external conditions.

In the reporting year, employees were trained with mandatory testing on the following issues:

- Prevention of money laundering and financing of terrorist activities
- Code of Corporate Ethics and Business Conduct
- Anti-corruption
- Implementation of rules for handling gifts
- Disclosure of information on potential conflicts of interest
- Special economic measures
- FATCA (Foreign Account Tax Compliance Act).



Internal Audit System

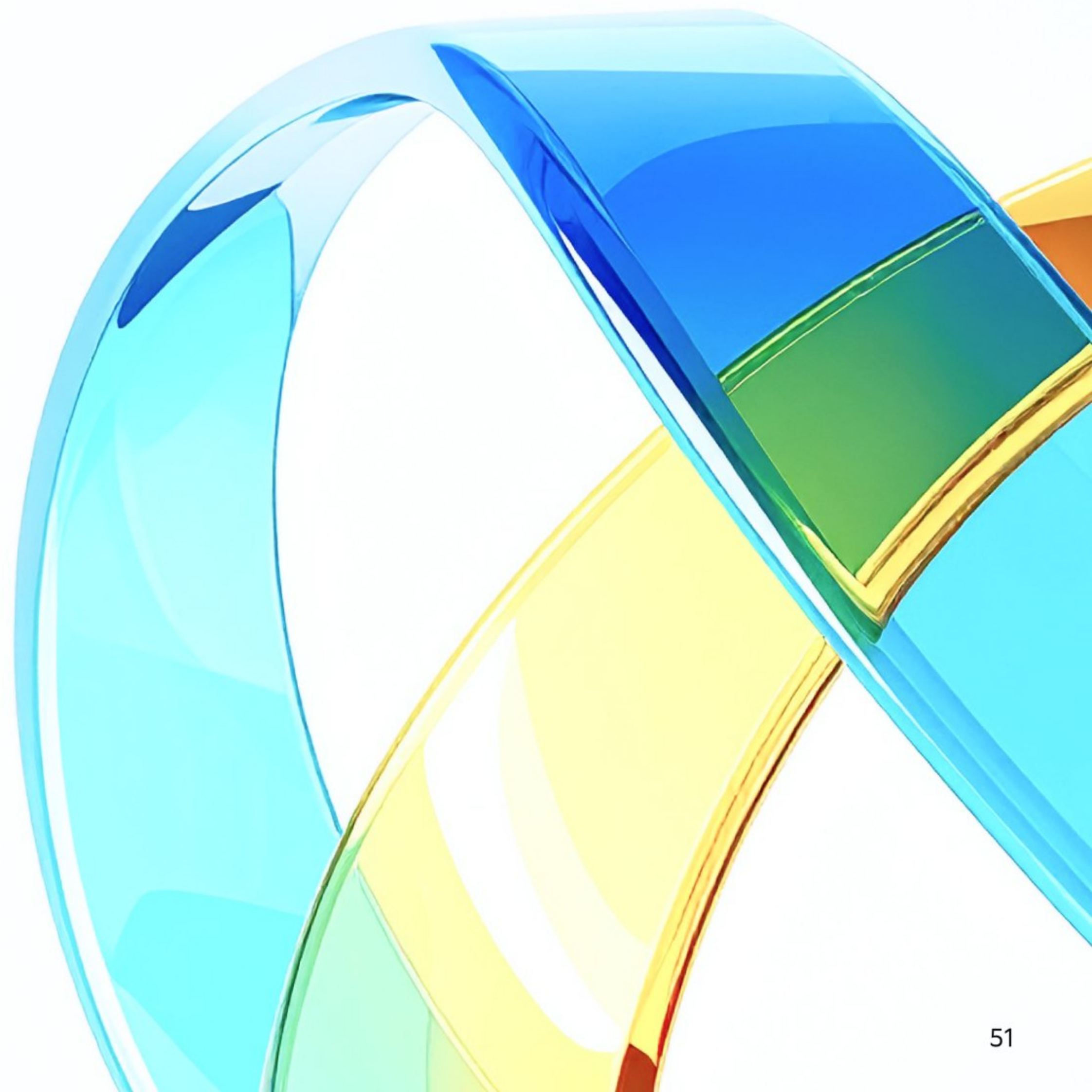
The internal audit system of the Bank is arranged in accordance with the requirements of the legislation and ensures continuous participation of the management bodies in the organisation and functioning of the internal audit system, as well as a clear distribution of authority in the area of internal audit.

The organisational structure of the internal audit system is tied to the organisational structure of the Bank. The Internal Audit Department has been established and is functioning in the Bank. The director and deputy director of the Department have been assessed for compliance with the qualification and business reputation requirements in the National Bank.

Local legal regulations defining internal audit policies, methods and procedures are kept up to date.

The Bank's internal audit is carried out using a risk-oriented approach: the priority of inclusion of objects in the Work Plan is based on the inherent risks of banking activities and their impact on the sustainability and safety of the Bank's activities, as well as the quality of services provided.

When performing audits, priority attention is given to the issues of compliance with the legislation of the Republic of Belarus, local regulations of the Bank, business process standards, compliance with limits and powers, issues of profitability and profitability of implemented products, optimisation of operating expenses, possible ways to increase automation and reduce costs, as well as to increase efficiency of operations.





HR DEVELOPMENT

53 HR DEVELOPMENT



HR Development

The Bank's success is achieved through effective teamwork

50 % OF THE STAFF

HAVE BEEN WITH US FOR > 10 YEARS

25 % OF THE STAFF

ARE YOUNGER THAN 30 YEARS OF AGE

~700 CASES OF ACCESS

TO THE EDUCATIONAL ONLINE PLATFORM
SBERBANK CORPORATE UNIVERSITY

>50 THOUSAND CASES OF ACCESS

TO EDUCATIONAL COMPONENTS OF THE BANK'S
CORPORATE REMOTE EDUCATIONAL SYSTEMS

In order to optimise the Bank's existing business processes, eliminate redundant functions, increase the efficiency of operations through internal reserves, and improve the efficiency and effectiveness of management decision-making, a large-scale work was carried out during 2024 to transform the organisational structure of the Bank's Head Office and central subordination units.

As part of these measures, we made decisions to optimise processes with reallocation of employees/staff to business and other relevant areas in order to preserve competencies in the Bank.

During the year, the headcount was reduced by 0.7%. In order to decrease the rate of staff turnover and improve employee retention, as well as to maintain the attractiveness of the Bank's HR brand for external job seekers, two differentiated revisions of employee salaries were carried out, taking into account the monitoring of competing banks' salaries.

Stability and staffing levels have been ensured: about 50% of the staff have more than ten years of service with the Bank; staffing level is 92%.

During the year, we focused on talent retention by maintaining the employer brand, competitive salary levels, creating a work environment attractive to employees, as well as opportunities for horizontal and vertical career growth.

Work continued to develop adaptation of the Bank's new employees: we updated the pool of mentors, held quarterly welcome days with welcome packs, arranged for training and education, and provided additional motivation for mentors.

Throughout the year, the Bank actively cooperated with educational institutions, invited students for internship, and subsequently employed the best graduates. A number of HR advertising events were organised to promote the Bank's brand among students.

We successfully implemented the Sber Sales School educational project for student employees of the Bank and graduates of the Bank's key partner higher education institutions. The SberGeneration project was organised for students of the Belarusian State University.

Special attention was paid to the development of employees' digital skills, training in digital and product transformation, training in the skills outlined in Sberbank's competency model, cybersecurity, agile and digital transformation, business analysis, data science, and management competencies.

When organising corporate training, we selected the best providers of the educational segment in the Belarusian market. The Bank cooperates with the Sberbank Corporate University on a permanent basis, including employees trained on the SberUniversity educational platform.

In the reporting year, strategic sessions were held to strengthen communications between employees of the regional network and the Head Office, develop effective interaction and team building skills, increase the level of cohesion and employee commitment to the Bank's corporate values. A survey 'Cultural Code' was conducted to measure the emotional background among employees.



HR Development

We implemented a set of measures for social support of employees, namely:

- Adopted new approaches to the formation of the insurance program.
- Provided pensioners, former employees of the Bank with an opportunity to be included in the medical voluntary insurance program at a corporate tariff.
- Organised seasonal flu vaccination on a regular basis.
- Continued to support health improvement programs for employees and their children
- Expanded the program of corporate benefits and discounts from partners, including sanatorium and recreation institutions.

One of the important social aspects of the Bank's activities is the support of non-working pensioners, who are in the most socially vulnerable position. In honour of the Day of the Elderly, we organised a solemn event where the Bank's managers and employees told about the Bank's current activities, about everything new that is useful and interesting for former employees to know.

Volunteer movement is being developed within the framework of ESG-awareness. During the year we elaborated the scheme of cooperation with environmental organisations, held eco-events, assisted animal protection organisations.

We held a volunteer team-building event 'Let's Give Joy to Children' with participation of the Bank's employees on the basis of the Special Boarding School No. 10 in Minsk, eco-social initiative 'Things Help' and action 'Happy Children', which provided assistance to children and adults in difficult life circumstances.

The event 'From Heart to Paws' was held for the charity organization 'Old Cat' and the animal protection event 'Not a Shelter'.

The Bank's employees took part in the republican events 'Let's Renew the Forests Together!' and the event 'Give the forest a new life!' for the restoration of Belarusian forests, and the event on the World Environment Day in the Central Botanical Garden of the National Academy of Sciences of Belarus.

In the course of the repeated certification audit conducted by the certification body of the State Educational Institution Republican Institute of Higher School, the Bank's OH&S Management System was confirmed to be in compliance with the requirements of STB ISO 45001-2020.



CORPORATE GOVERNANCE

56	CORPORATE GOVERNANCE REVIEW
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Corporate Governance Review

Corporate governance in the Bank is the system of interaction between shareholders, management bodies, the controlling body of the Bank, officers and other involved parties aimed at general management of the Bank’s activity, achievement of goals and compliance with the strategy of development, including ensuring financial sustainability and supporting long-term functioning as a profit-making company.

The management bodies of the Bank arrange for effective corporate governance system corresponding to the nature and scale of banking and other activities and ensuring financial sustainability of the Bank.

The key components of the Bank’s corporate governance structure are its management bodies, the controlling body, committees of the Supervisory Board of the Bank, structural divisions of the Bank, and the Bank’s officers who communicate in the framework of the internal control system, the risk management system, the remuneration and compensation system, and the system for management of the conflict of interest, ensuring communication with the Bank’s shareholders.

To comply with the corporate governance procedures, the Banks employs the respective officer – Corporate Secretary – who manages the activity aimed at supporting the Bank’s management to the benefit of its shareholders, compliance of the Bank’s managers and management bodies with procedural requirements to protect legal rights and interests of the shareholders.

The Code of Corporate Governance is the document that establishes the main objectives and principles of the corporate governance system applied by the Bank.

The Bank regularly tracks the evolution of the corporate governance laws and practices in the Republic of Belarus and abroad, and follows them in its activity.

Corporate governance system. Checklist.

- ✓ Communication with the shareholders
- ✓ Annual election of the Supervisory Board
- 9 Number of the Supervisory Board members
- 3 Number of independent directors
- 3 Number of the Supervisory Board committees
- ✓ ESG agenda supervisor
- ✓ Annual self-assessment of the activity of the Supervisory Board, its members, committees of the Supervisory Board, the Management Board
- ✓ External assessment of the corporate governance effectiveness (not less than once in three years)
- ✓ Management Board
- ✓ Chair of the Management Board
- 6 Members of the Management Board (including the Chair)
- ✓ External audit
- ✓ Audit Commission
- ✓ Corporate Secretary
- ✓ Dividend policy
- ✓ Independent director activity standard
- ✓ Code of Corporate Governance
- ✓ Code of Corporate Ethics and Business Conduct
- ✓ Corporate culture priorities
- ✓ Risk management. Internal control. Compliance. Motivation and fair remuneration
- ✓ Anti-corruption
- ✓ Conflict of interest management

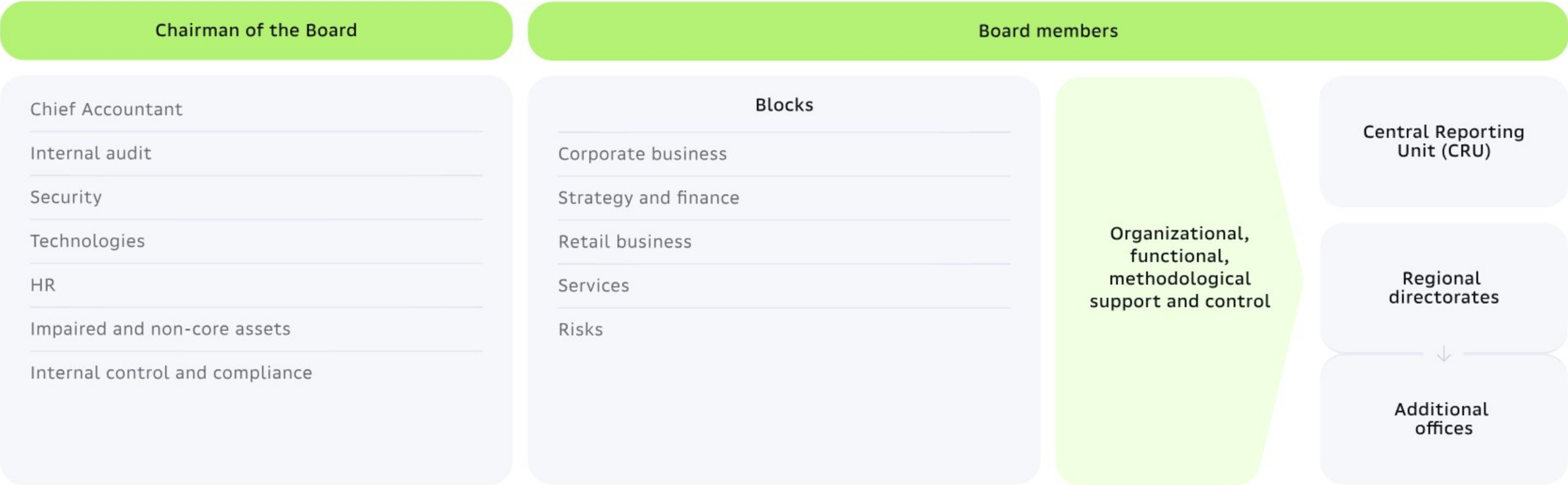
Organizational Structure

General Meeting of Shareholders

Supervisory Board



Management Board



Committees





Organizational Structure

The Bank functions on the basis of the organizational structure that comprises the Head Office, Regional Directorates, operational offices/ central subordination units.

Structural divisions of the Head Office are joined into domains (business domains, support domains) that provide organisational, functional, methodological support and control over the divisions of the Bank's regional network. The structure of regional directorates includes additional offices.

The Head Office comprises independent structural divisions: departments and units arranged into functional domains.

The central subordination units are structural divisions of the regional network without independent balance sheet, with high degree of process standardisation, typicality, and regulation of work processes that is not characteristic of the Head Office units.

The organisational structure of regional directorates is adopted based on the approved business (support) models and complies with the Strategy of the Bank's regional network development. Regional directorates report to the Head Office and act under direct organisational and methodological guidance of the Head Office.

The organisational structure is designed for the purpose of achieving strategic objectives of business development and corporate governance model and is adopted for business and support domains and their units. The decision on approval or amendment of the organizational structure of the Head Office, regional directorates and central subordination units is made by the Management Board of the Bank.

The organisational structure may be amended in order to achieve strategic objectives of the Bank's development, raise the efficiency of corporate governance, operation of business and support domains, optimise the distribution of functions, workload and staff, stimulate labour productivity, and achieve business plan targets.

The management bodies of the Bank are:

- General Meeting of Shareholders
- Supervisory Board
- Management Board

The controlling body of the Bank is:

- Audit Commission

General Meeting of Shareholders

5

GENERAL MEETINGS OF
SHAREHOLDERS WERE HELD

17

ISSUES WERE
RESOLVED

The General Meeting of Shareholders is the supreme management body of the Bank, which is not acting permanently and is convened as stipulated by the legislation and the Articles of Association of the Bank, which must be complied with to ensure the legality of adopted resolutions.

The scope of authority, the procedure of convening and holding the General Meeting of Shareholders, adopting resolutions, and interaction of the Bank with the shareholders are stipulated by the legislation, the Articles of Association, and local regulations of the Bank.

The issues attributed to the exclusive scope of authority of the General Meeting of Shareholders may not be delegated to other management bodies of the Bank for resolution.

Supervisory Board

9

MEMBERS

68

MEETINGS
WERE HELD

241

ISSUES WERE
RESOLVED

The Supervisory Board is the collegiate management body that carries out general management of the Bank’s activities and determines the priority directions of its development. It reports to the General Meeting of Shareholders of the Bank.

The scope of authority, the procedure of holding meetings of the Supervisory Board, adopting resolutions, and other issues relating to the activity of the Supervisory Board and its members are stipulated by the legislation, the Articles of Association and local regulations of the Bank.

The Supervisory Board members are elected by the General Meeting of Shareholders according to the procedure stipulated by the legislation and the Articles of Association of the Bank.

The members of the Supervisory Board meet qualification criteria and business reputation requirements as stipulated by the legislation.

To perform the functions of the Supervisory Board in the area of strategic planning, determine strategic objectives and goals of the Bank in the area of sustainable corporate governance development, including the ESG agenda, define the priority activities of the Bank, ensure effective functioning of the risk management system, the internal control system, the system of remunerations and compensations, and supervise the operation of these systems, the Supervisory Board elects the Audit Committee, the Risk Committee and the Remunerations Committee from among its members, headed by independent directors.



Committees of the Supervisory Board

Committees of the Supervisory Board carry out a preliminary review of the most important issues falling within the scope of authority of the Supervisory Board and prepare recommendations for the Supervisory Board to adopt of resolutions on such matters.

Main tasks of the committees

Audit Committee

- High-quality preparation of drafts of resolutions of the Supervisory Board on the issues of internal control and internal audit system, preparation of recommendations for the Supervisory Board on the issues of internal control and internal audit system functioning and improvement
- Analysis of the process of achievement of goals and strategy of development of the Bank, development of proposals on the issues of internal control and internal audit
- Selection of external auditors and communication with them
- Detailed review of local regulations of the Bank, reports, and other issues to be reviewed by the Supervisory Board within the scope of the Audit Committee's activity

Risk Committee

- Participation in operation of the risk management system of the Bank
- Detailed review of risk management issues and elaboration of necessary recommendations and suggestions
- Ensuring high-quality preparation of resolutions of the Supervisory Board of the Bank on risk management issues

Remunerations Committee

- Comprehensive study of issues relating to compensations and remunerations
- Preparation of the necessary recommendations and suggestions

Audit Committee

5

MEMBERS

23

MEETINGS WERE HELD

54

ISSUES WERE RESOLVED

The Audit Committee was established to assist the Supervisory Board in exerting control over the effectiveness of internal control and compliance, corporate governance systems, and the activity of the internal audit service.

The Audit Committee’s functions include general management and maintenance of the internal control and internal audit systems of the Bank, selection of external auditors and communication with them, and profound study of local regulations of the Bank, reports and other issues subject to review by the Supervisory Board within the scope of the Audit Committee’s activity.

In 2024, the Audit Committee was in charge of:

- Profound study of the issues of the internal control system development, including compliance control, adequacy of controlling procedures in the processes and maturity of the controlling environment, based on the monitoring and review of managerial reports on internal control.
- Monitoring and control over implementation of the Bank’s measures in the area of internal control.
- Control over fulfilment of the Activity Plan of the Internal Audit Department, monitoring of performance of audit revisions by the Internal Audit Department from the viewpoint of business efficiency prioritization.
- Results of audit revisions, revealing the most urgent issues in the organization of the internal control.
- Results of activity of audit commissions in the subsidiary and dependent companies of the Bank, assessment of authenticity and completeness of information submitted to the Bank about the activity of the subsidiary and dependent companies of the Bank.
- Monitoring of fulfilment of the activity plans upon results of revisions carried out by the National Bank of the Republic of Belarus, external audit, and internal audit recommendations
- Monitoring of preparation of financial and prudential reporting.
- Monitoring of the process of mandatory audit of the consolidated accounting/financial statements.
- Monitoring and analysis of the controlling environment for sufficiency of control procedures based on the results of audit revisions and managerial reports on internal control, including compliance.
- Results of compliance with the conflict of interest management policy of the Bank and the bank holding.

In 2024, the Audit Committee seated not less than once a month, in compliance with the law.



Audit Committee

The Audit Committee performed the following activities on a regular basis:

- Monitoring and control over the internal audit procedure, organization of work of the Chief Internal Control Officer of the Bank, organization of control in the area of legal compliance, and anti-money laundering, combatting terrorist financing, and prevention of proliferation of mass destruction weapons;
- Review of reports drawn based on audit revisions and activities undertaken by the Internal Audit Department, reports by the Chief Internal Control Officer of the Bank on the status of control in the area of anti-money laundering, combatting terrorist financing, and prevention of proliferation of mass destruction weapons, and other issues relating to the organization of the internal control system, quarterly in accordance with the plan of action.

In 2024, due to new requirements of the legislation, the scope of authority of the Audit Committee expanded. In particular, the Audit Committee monitored fulfilment of resolutions of the Supervisory Board adopted in relation to the internal control system, internal audit system, risk management and remuneration systems, monitoring and analysis of efficiency of the system for notification about potential improper actions of the Bank's employees and third parties, and other violations in the Bank, as well as monitoring of implementation of measures taken based on the results of whistleblowing actions.

Besides, the Audit Committee supervised over special investigations.

The Audit Committee regularly reported to the Supervisory Board on the status of the internal control system, including compliance, results of audit revisions, measures taken by the Management Board of the Bank to eliminate drawbacks, and sufficiency of measures adopted to improve the internal control system, to raise the effectiveness of the Bank's activity and to eliminate shortcomings revealed in the course of external revisions.

The Audit Committee monitored preparation of accounting/financial statements, communicated with the external auditor to discuss audit results, reviewed the results of external audit of accounting/financial statements of the Bank, controlled the implementation of measures to fulfil recommendation of external controlling bodies and external auditor, with regular reporting to the Supervisory Board.

The Audit Committee controlled development and approval by the Management Board of the Bank of the annual Activity Plan for the development of the internal control system of the Bank, including compliance control.

To accomplish the primary tasks for internal control and compliance development, the Audit Committee monitored the measures aimed at improving the internal control system relevant to the scope and strategy of business, and the adopted Strategy.

Based on the review of external and internal audit revisions in 2024, evaluation of the Internal Audit Department, monitoring of the implementation of the measures to eliminate the detected drawbacks by the Management Board and responsible officers, with regard to the measures undertaken by the Bank to follow the plan of action based on the results of external reviews, availability of the Bank's plans to ensure continuous activity and financial sustainability, the consolidated internal control system of the Bank and the bank holding and the internal audit system are deemed sufficiently effective.

The Audit Committee performed a self-assessment of its activity. All reviewed aspects of activity were effective. The activity of the Audit Committee and its Chair in 2024 was declared efficient by the Supervisory Board.

Throughout the year, the independent director – Chair of the Audit Committee regularly communicated with the Internal Audit Department, the Chief Internal Control Officer, and the Bank's top management to fulfil the tasks set for the internal audit and internal control system in the Bank.

Risk Committee

5

MEMBERS

17

MEETINGS WERE HELD

27

ISSUES WERE RESOLVED

The Risk Committee was established to assist the Supervisory Board in the implementation of the risk management strategy of the Bank and assessment of efficiency of the risk management system on the consolidated basis in the Bank and the bank holding where the Bank is the managing company.

In 2024, the committee seated at least once a month, not less than one meeting per quarter in the form of joint presence, in accordance with the law.

The Risk Committee performed the following functions:

- Monitoring of fulfilment of the strategy and resolutions of the Supervisory Board adopted in the area of risk management, risk profile, risk tolerance and appetite, and other risk metrics of the Bank and the bank holding
- Regular review of reports of the Bank's CRO on assessment of the Bank's risks (monthly), on the status of the risk management systems and the Bank's risks, including the information about subsidiary companies (quarterly), condition and performance results of the Bank's risk management system on the consolidated basis (annually)
- Assessment of efficiency of the risk management system on the consolidated basis in the Bank and the bank holding
- Preliminary review of risk management issues to be resolved upon by the Supervisory Board
- Provision of recommendations to the Supervisory Board concerning risk management issues, suggestions for improvement of the risk management system
- Ensuring the timely provision of information for the Supervisory Board to make managerial decisions
- Recognition of materiality of operational incidents for making further decisions on remunerations and compensations
- Preparation of the annual report on the activity of the Risk Committee
- Review of drafts of specific local regulations of the Bank within the scope of authority, to be submitted to the Supervisory Board of the Bank for adoption
- Making suggestions, informing the Management Board about recommendations of the Risk Committee based on the results of risk issues reviewed by the Committee (if necessary).

Remunerations Committee

4

MEMBERS

20

MEETINGS WERE HELD

35

ISSUES WERE RESOLVED

The Remunerations Committee was established for the Supervisory Board to take the necessary resolutions to arrange an effective system of remunerations and compensations in the Bank.

In 2024, the Remuneration Committee carried out:

- Monitoring of implementation of resolutions taken concerning the remunerations and compensations system.
- Assessment of the system of remunerations and compensations and its compliance with the requirements for its functioning.
- Analysis of the system of remunerations and compensations as to its conformity with the scale and efficiency of the Bank's activity and its risk profile.
- Control over compliance of the actual payments to the established approaches, and proportionality of remunerations paid to the Bank's employees to their actual contribution into the performance results and provision of financial stability of the Bank.
- Informing the Supervisory Board on the results of analysis and control, and efficiency of the system of remunerations and compensations.
- Preparation of recommendations and suggestions to improve the system of remunerations and compensations.
- Presenting recommendations and regular reports on the issues of the system of remunerations and compensations to the Supervisory Board.

The Chair of the Remunerations Committee regularly checked the compliance of the remunerations and compensations system with its functional requirements.

To monitor the effectiveness of the Remunerations Committee, a self-assessment was carried out, and its results were taken into account in determining areas for improvement in 2025. The Supervisory Board considered the activity of the committee and its Chair in 2024 as effective.

The management report on the remunerations and compensations system, the annual report on the status and results of functioning of the remunerations and compensations system (including assessment of its effectiveness), and the annual report on the activity of the Remunerations Committee (including the results of self-assessment of its effectiveness) were submitted to the Supervisory Board.

Management Board

6

MEMBERS

62

MEETINGS WERE HELD

789

ISSUES WERE RESOLVED

The Management Board is the collegiate executive body of the Bank, carrying out daily management of the Bank's activity. Its scope of authority includes all issues not attributed to the exclusive scope of authority of the General Meeting of Shareholders and the Supervisory Board.

Authority is distributed among Chair of the Management Board, Deputies Chair of the Management Board, and other Management Board members based on orders of Chair of the Management Board.

The Chair of the Management Board presides it and is the Bank's CEO.

To improve and implement the Bank's policy, raise operational efficiency and optimise the decision-making process, collegiate bodies (committees) were established, and their authority, including the decision-making powers, were set by the Management Board. Specific powers have been delegated to the committees, which does not contradict the law.

The Bank has appointed the officers responsible for risk management and internal control who are subordinate directly to the Chair of the Management Board and report to the Supervisory Board. Also, the Bank established the departments to manage certain risk types according to the nature and scope of banking operations and other activities and the special structural division for prevention of money laundering, terrorist financing, and financing of proliferation of mass destruction weapons.

In accordance with the delegated authority, the Management Board:

- Organizes the functioning of the systems included into the corporate governance of the Bank.
- Ensures the establishment of contemporary banking infrastructure.
- Approves the organizational structure of the Head Office and central subordination units of the Bank.
- Resolves on opening and closing of structural divisions of the Bank.
- Organizes the activity of the Internal Audit Department.
- For the purpose of organization of a proper internal control system:
 - Provides for the fulfilment of resolutions of the Supervisory Board, implementation of the Bank's strategy and policy including concerning internal control arrangement and execution.
 - Provides for effective functioning of the internal control system.
 - Carries out internal monitoring of the efficiency of the internal control system and control over elimination of detected violations and drawbacks in the arrangement of the internal control system of the Bank.
 - Reviews the management reports containing results and materials from regular assessment of efficiency of the internal control system, its directions and types.
- Ensures efficient functioning of the internal control system.
- Provides for implementation of HR policy of the Bank resolving, among other things, issues on labour remuneration to the Bank's employees, their incentives and social benefits.
- Resolves on other daily matters stipulated by the law, the Articles of Association, and local regulations of the Bank.



List of the Bank's Committees as of 1 January 2025

Assets and Liabilities Management Committee	Provides for implementation of the Strategy of Development of the Bank in the area of assets and liabilities, liquidity and market risks, and capital adequacy management.
Large Credit Committee	Provides for implementation of the Strategy of Development of the Bank in the area of lending to largest, large, and medium corporate customers, and supports improvement and implementation of the lending policy of the Bank.
Small Credit Committee	Provides for implementation of the Strategy of Development of the Bank in lending to micro, small, and medium corporate customers and individuals.
Impaired Assets Committee	Provides for effective overdue debt recovery.
Classification Committee	Provides for due management of the credit risk, ensuring the unbiased assessment of risks in classification of assets subject to credit risk and contingent liabilities.
Procurement Committee	Provides for organization and following procurement procedures, coordinating the purchase goods (work, services) by the Bank.
Projects, Processes, and Technologies Committee	Provides for resolution of the issues relating to information system automation, information security, IT risk management, organization and implementation of project-based activity, implementation of the process management system of the Bank.
Artificial Intelligence Transformation Committee	Provides for resolution of the issues relating to the development and implementation of Artificial Intelligence/Research&Development (hereinafter - AI/R&D) initiatives, draws suggestions on strategic development of AI/R&D area, gives preliminary consideration to AI development strategies, and coordinates working with models.
Architectural Committee	Determines and controls the application of the uniform approach for the Bank and Vodorod CJSC to the Bank's IT infrastructure, aimed at achievement of the declared IT objectives of the Bank.
Operating Risk Committee	Provides for implementation of the policy of efficient operating risk management in the Bank, and control over timeliness and correctness of internal investigations held in the Bank.
Credit Committees of the regional network	Provide for implementation of the lending policy maintained by the Bank.



Audit Commission

In accordance with the Articles of Association of the Bank, for the purpose of internal control over the financial and economic activity of the Bank, the annual General Meeting of Shareholders elects the Audit Commission consisting of three members. The Audit Commission remains in office until the next Annual General Meeting of Shareholders.

The Audit Commission carries out control procedures concerning the economic and financial activity of the Bank, reviews activity results disclosed in the annual accounting (financial) statements of the Bank.

Taking into account the control procedures, the Audit Commission provides to the General Meeting of Shareholders an opinion in relation to the possibility of acceptance of results of the financial and economic activity of the Bank in the reporting year for review and adoption.

Anti-corruption and Conflict of Interest Management

The Supervisory Board of the Bank adopted the requirements in the area of anti-corruption and conflict of interest management that apply universally in the Bank and the members of the bank holding.

In its activity, the Bank adheres to the principle of zero tolerance towards corruption in any form. The anti-corruption system was established with regard to the requirements of the law and Group approaches.

The whistleblowing line was established where any person can report on corrupt practices and abuses in the Bank, fully anonymously.

In the framework of creation of an effective internal control system, the Bank pays much attention to setting requirements to conflict of interest management, implements procedures of information disclosure on conflicts of interest, and procedures of control over compliance of the employees with such requirements.



Shareholder Relations

The Bank's corporate governance aims at equal treatment of all shareholders of the Bank.

The Bank's shareholders are entitled to receive information about the Bank's activity disclosed in mass media, published on the official website of the Bank on the Internet, and other information to be provided in accordance with the Articles of Association, local regulations of the Bank, and the law.

The Bank regularly communicates with its shareholders by publishing news, press releases, annual reports, and other information.

The shareholders participate in the Bank's management by resolving the issues of the Bank's activity at the General Meeting of Shareholders. The Bank regards the General Meeting of Shareholders as an opportunity to inform the shareholders about its activity, performance results and plans, involve them in discussion and making decisions on the critical issues of the Bank's business.

The Bank publishes the date of the General Meeting of Shareholders as stipulated in the Articles of Association, thus providing the shareholders with sufficient time for preparation on the agenda issues.

Apart from the publication about the date of the General Meeting of Shareholders, each shareholder (its representative) who participates in the meeting in person is issued a set of documents necessary for making decisions.

The Bank's shareholders may delegate their authority to participate in the management of the Bank's activity to other persons as stipulated by the law.

The Bank's provides its shareholders with a fair opportunity to get a share in profits in the form of dividends, as stipulated in the relevant local regulations.

The shareholders do not assume liability under the Bank's obligations and bear the risk of losses relating to the Bank's activity limited to the value of the shares in their possession.

Information Disclosure

The Bank provides access to its shareholders and other related parties to the information about all material facts of the Bank's activity, which allows them to make well-weighted decisions.

Approaches to the content and scope of disclosable information, objectives, procedure and frequency of disclosure, means of informing the stakeholders are stipulated in local regulations of the Bank with regard to the law.

Bank secret, trade secret, or other information of the Bank and its clients and counterparties protected by the law are not subject to disclosure unless required by the law.

In disclosing information, the Bank follows the principles set below:

- **Completeness.** The Bank discloses the information in accordance with local regulations and the law.
- **Authenticity.** The Bank discloses the information avoiding uncertainties of interpretation. Provision of incorrect information is not tolerated. The persons who disclose information are liable for its authenticity.
- **Accessibility.** The Bank uses the means of disclosure that are accessible and convenient for the recipients. The information published on the Bank's website is available free of charge and requires no special acknowledgement.
- **Relevance and timeliness.** To ensure continuous disclosure, the Bank developed internal regulations coordinating activities of structural divisions relating to the preparation, timely presentation, and disclosure of information.

Information is disclosed in accordance with the rules of disclosure stipulated by Guidelines of the National Bank and resolutions adopted by the Bank.



Corporate Governance Development

In 2024, to improve corporate governance aimed at implementation of the Bank's objectives and development strategy, including its financial reliability and continuity of business as a profit-making entity, we undertook the following measures:

1. Due to adoption by the National Bank of the Republic of Belarus on Resolution No. 62 dated 21.02.2024 'On organization of corporate governance', the Bank developed a new local regulation stipulating the procedure of internal assessment of efficiency of the Management Board of Sber Bank and corporate governance of Sber Bank, subsidiaries of Sber Bank, and updated local regulations stipulating organization of corporate governance of the Bank (including the internal control, risk management, remunerations and compensations, and internal audit systems).
2. Carried out the annual self-assessment of efficiency of the Supervisory Board and its members, Committees of the Supervisory Board, and internal assessment of efficiency of the Management Board, and corporate governance of Sber Bank and its subsidiaries.