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➤ Strategy 2020: status

# The banking markets are growing slightly faster than was planned in Strategy 2020



Loans, portfolio growth, %

Retail customers



Above Strategy 2020 expectations

Corporate customers



In line with Strategy 2020 expectations



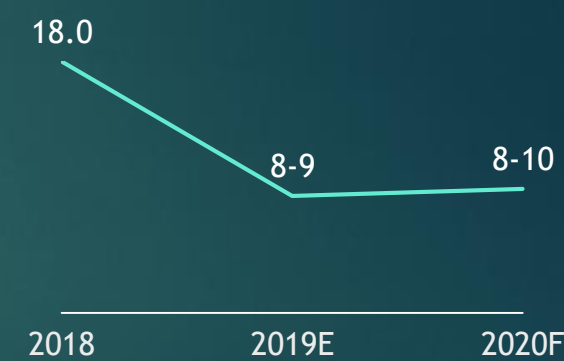
Deposits and current accounts, portfolio growth, %

Retail customers



In line with Strategy 2020 expectations

Corporate customers



Above Strategy 2020 expectations

# We are delivering on key priorities of Strategy 2020

Best customer  
experience and  
ecosystem

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Technological  
leadership

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People with  
new skills

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Financial  
performance

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# We are delivering on key priorities of Strategy 2020

## Best customer experience and ecosystem

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Finance for retail and corporate customers



Other areas of customers' lives

## Technological leadership

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## People with new skills

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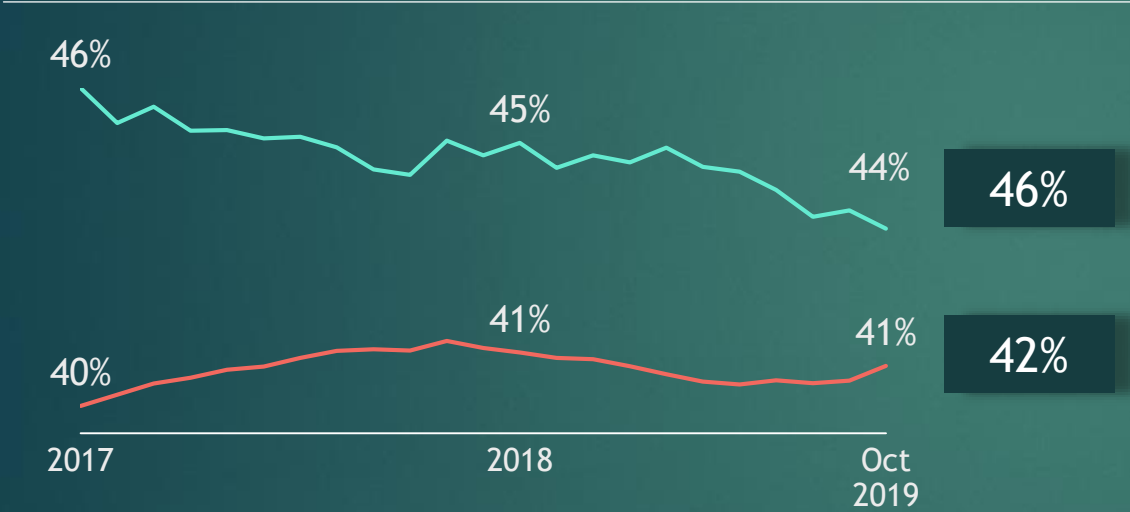
## Financial performance

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# We maintain shares in the key banking markets - slightly behind the objectives of the Strategy on retail funds and corporate loans

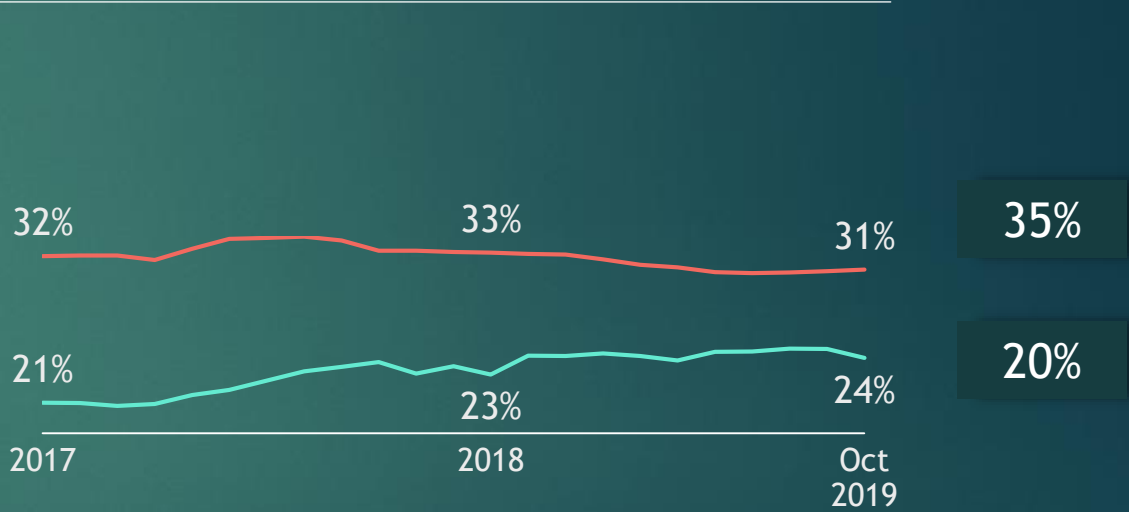
## Sberbank's shares in the key markets

### RETAIL



95,4 million active customers  
+6 million new active customers since the Strategy launch  
mostly in youth and mass segments

### CORPORATE



2,5 million active customers  
+0,5 million new active customers since the Strategy launch



# In 2019, we launched a large number of unique services for individuals...

2019

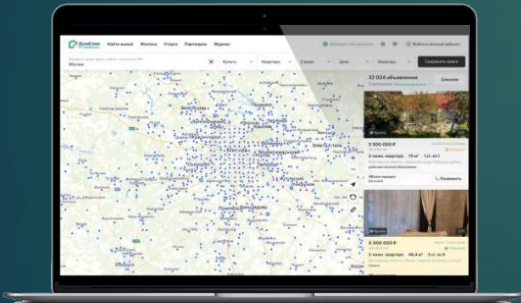
THE LIST IS NON-EXHAUSTIVE

## Loan products

Credit decision<sup>1</sup> in 2 minutes, up to RUB 300 thousand without 2-NDFL  
POS loans in online shops (Beru.ru etc)

0-fields questionnaire for payroll clients

Real estate showcase at DomClick (MAU ~ 4 million)



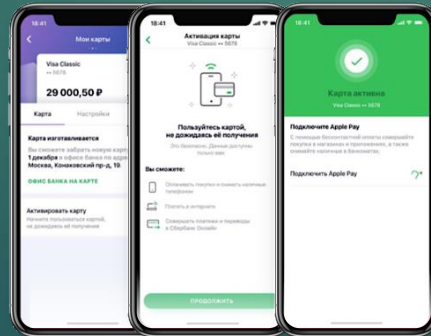
## Accounts and cards

1 million active digital cards

Online card activation

«Green Street»

«How are you doing it? It's fantastic, kind of magic. There's no card issued, but you can already pay with it»



## Payments, transfers and services

Payments by QR code (max purchase - 1 million rubles at Harley Davidson)



Cross-border transfers (~10 countries)

Chat bot solves ~40% of customer requests and handles 42% of calls to the UDCC



UDCC won European Contact Center and Customer Care Awards

1 - consumer loan, loan opportunity

# ... and for corporate clients

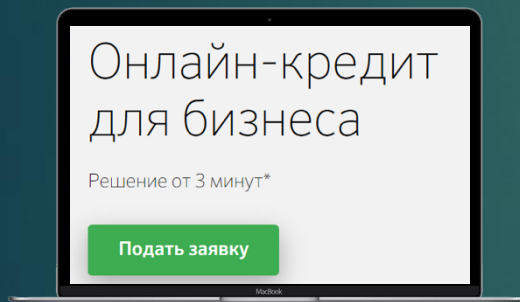
2019

THE LIST IS NON-EXHAUSTIVE

## Loan products

Financing of housing construction with escrow accounts

Online loan for small and micro business (money in the account in 10 minutes)



## Transaction products

Online business registration and account opening

Digital and travel business cards

Express VAT/excise refund (in 7 vs. 180 days)

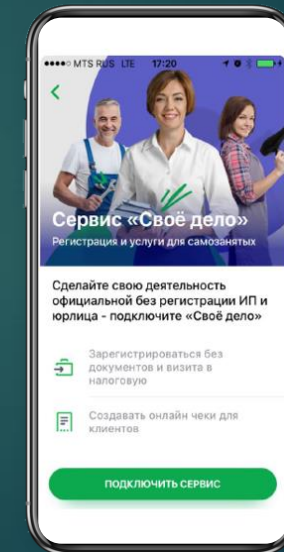


best transactional bank for business in the CEE

## Services

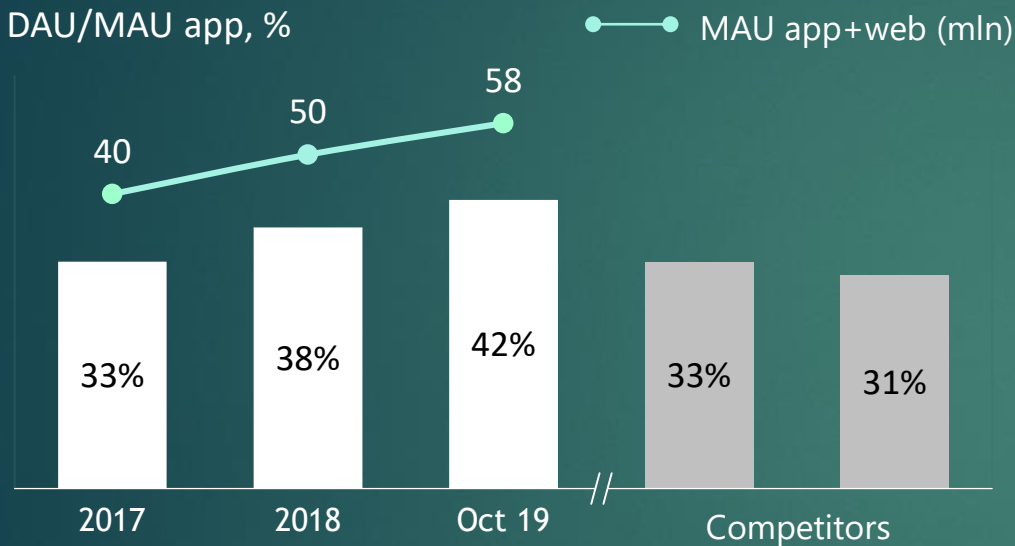
The "My Business" service for the self-employed (33+ thousand registered)

Chat bot and service via WhatsApp



# We've created the best digital channels on the market with the highest customer engagement

## Retail

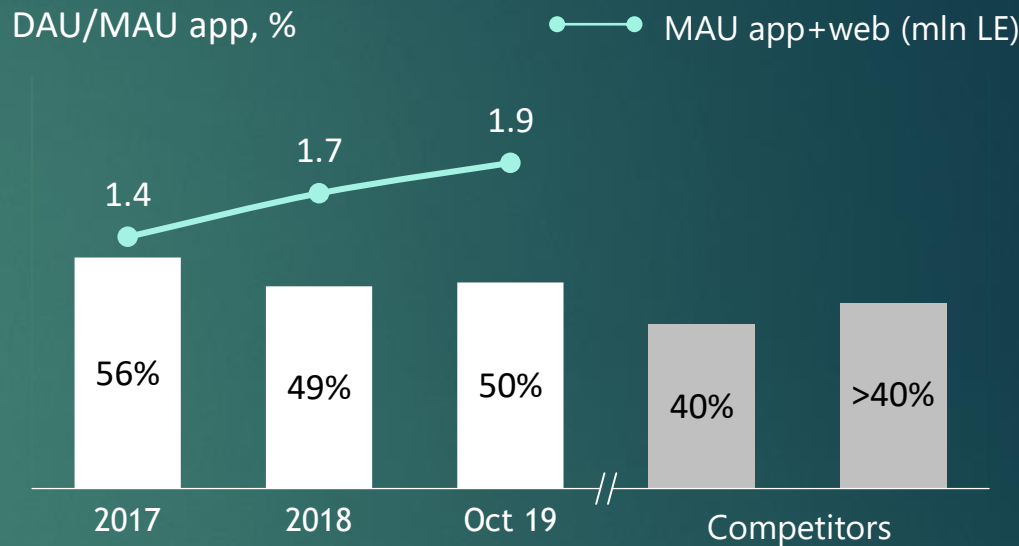


43% of sales in digital, 83% of services are digital  
Personalized mob. app (SBOL): tips, recommendations



The World's best consumer digital banks 2019

## Corporate



49% of sales in digital, ~100% of services are digital  
Mob. app relaunch (SBBOL): new digital experience, non-financial services



reddot design award  
winner 2019



# We create new incentives to “enter Sberbank” in physical channels



## Incentives to enter Sberbank



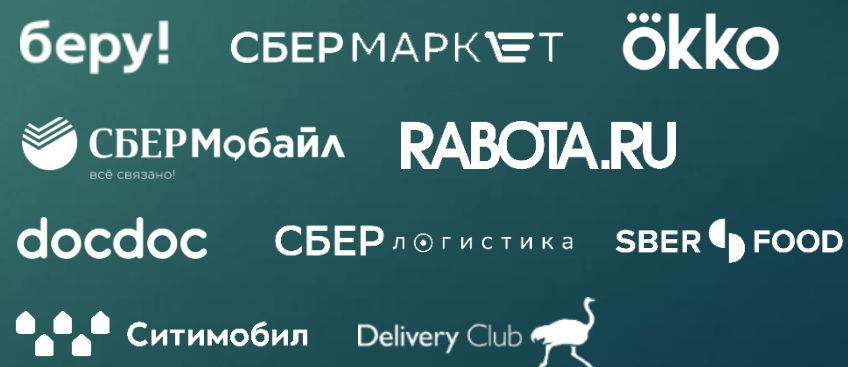
### Financial needs

**6 incentives**  
**90% of operations**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Deposit | <input checked="" type="checkbox"/> Cash / FX          |
| <input checked="" type="checkbox"/> Loan    | <input checked="" type="checkbox"/> Payment / transfer |
| <input checked="" type="checkbox"/> Card    | <input checked="" type="checkbox"/> Inquiry / problem  |

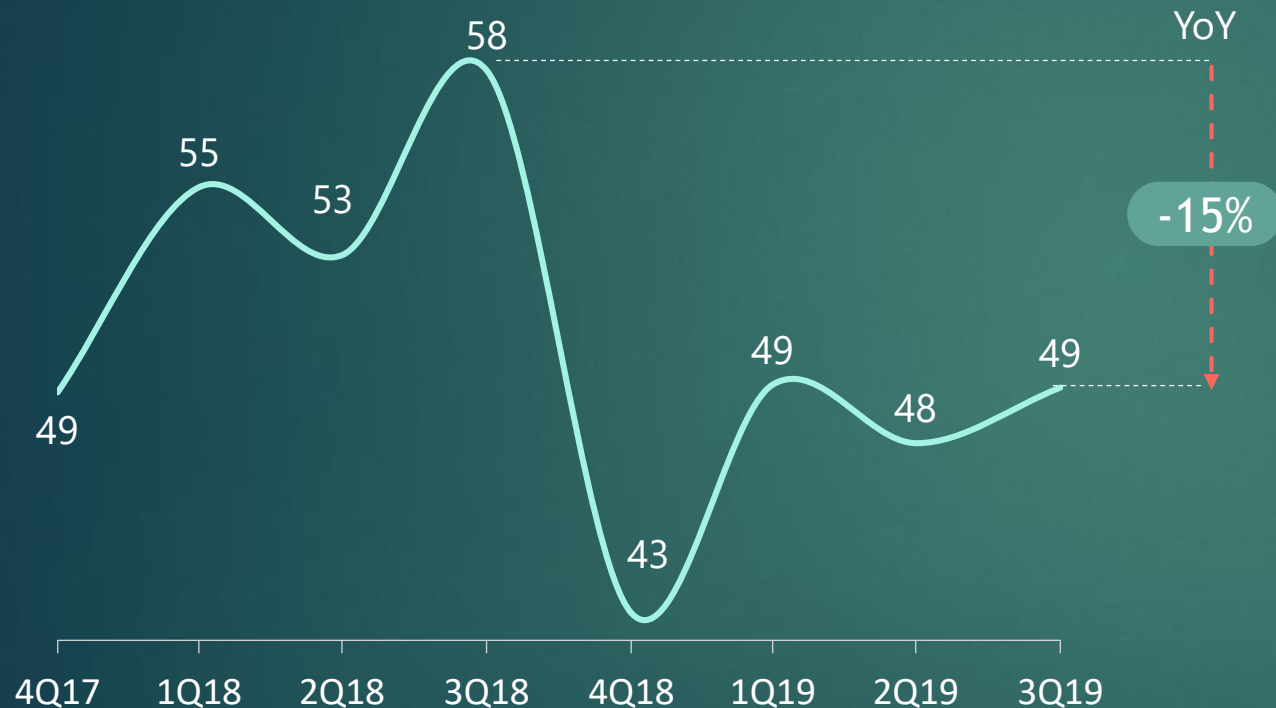
### Non-financial needs

**+11 new incentives**



# New physical network concept includes ecosystem products

Customer flow, mn people



2019

new network development  
concept approved

Support of the customer flow in the network by  
virtue of **customer onboarding in ecosystem** and  
cross-selling of ecosystem products

>10 ecosystem products «on the shelf»

examples

 СБЕРМобайл

Replication in 10 RBs

docdoc

Pilot in 11 RBs

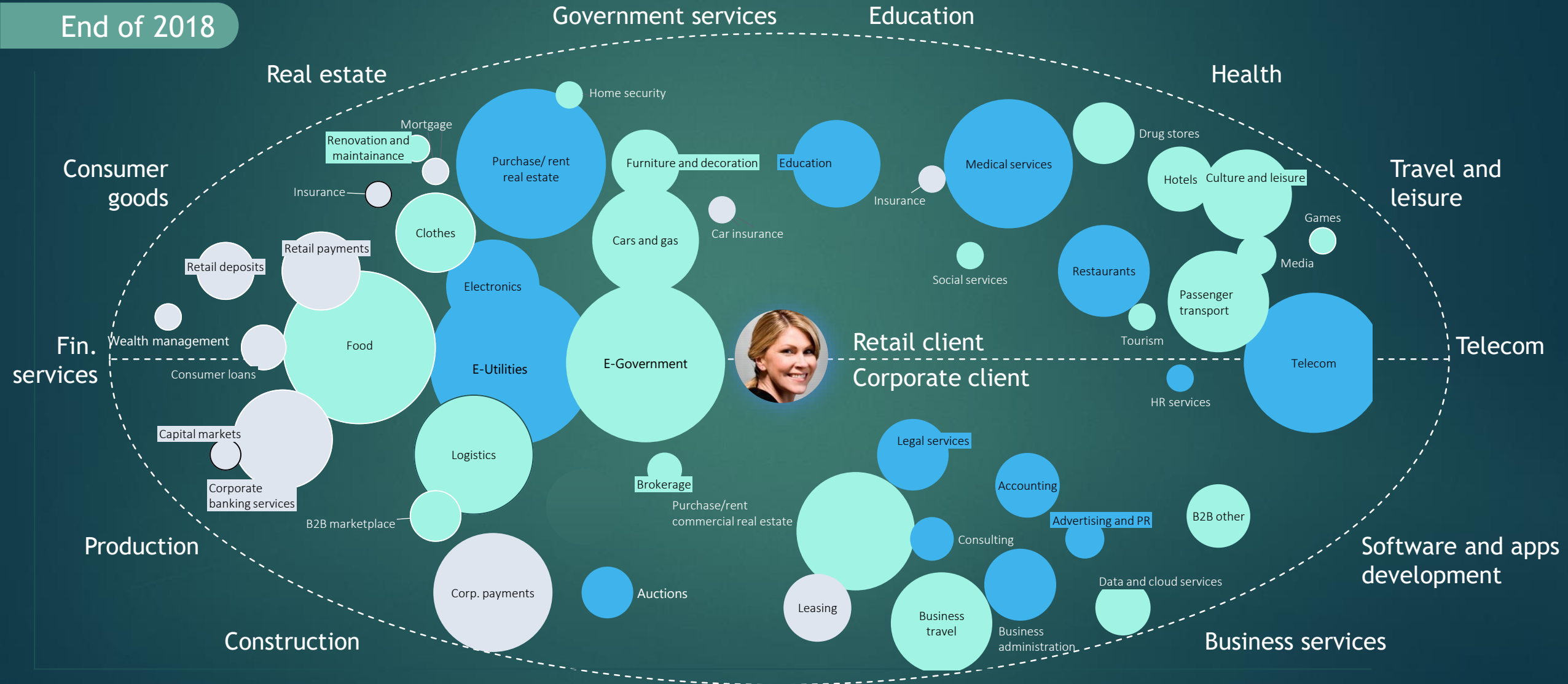
СБЕР ЛОГИСТИКА

Pilot in 15 branches

# Sberbank covers some of priority needs

- Needs not covered
- Finance
- Non-financial industries where Sberbank's subsidiaries are active

## End of 2018



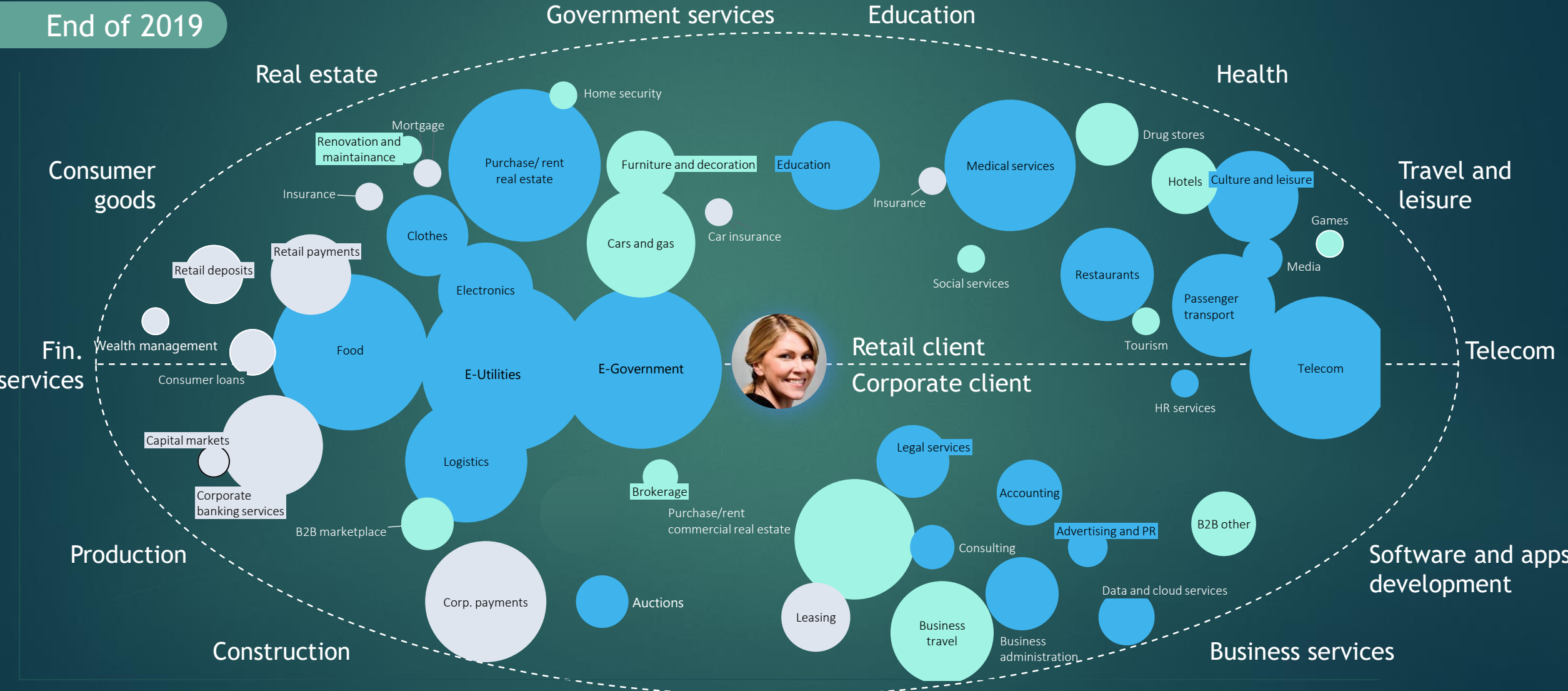
\* Addressable revenue pool, list of needs is non-exhaustive

SOURCE: McKinsey methodology, IHS World Industry Service

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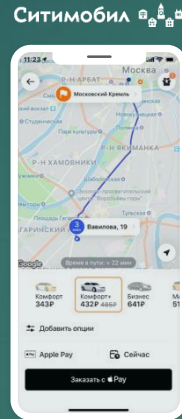
End of 2019



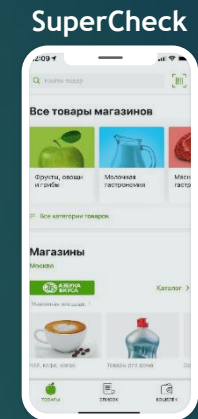
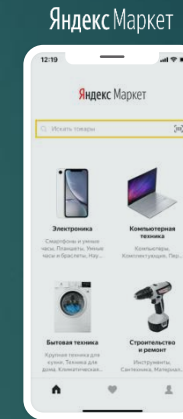
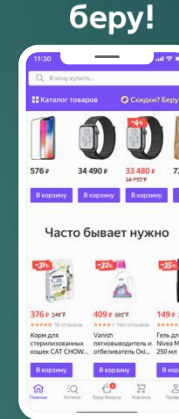
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# Flagship ecosystem products take strong positions in their markets

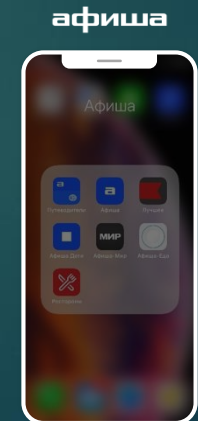
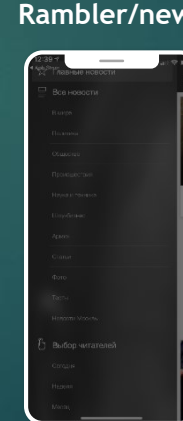
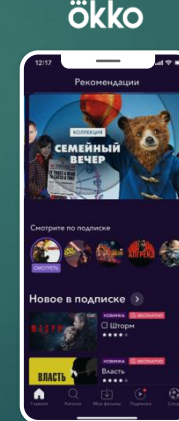
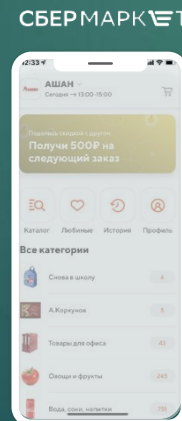
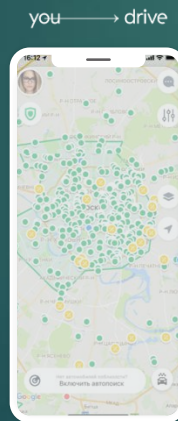
Online -  
to - Offline  
with mail.ru



eCommerce  
with Yandex



Entertainment  
with Rambler





66 bn usd



Equity  
(3q 2019)



~2 bn usd<sup>1</sup>



Total investments in  
ecosystem



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New platform



Security



AI transformation



Innovations

# New platform - breakthrough in 2019 - first launches and first results

**NEW**  
new initiative

## First launches on the platform

EFS

Available to all SBOL customers

21 business services (e.g. request for debit/credit card)

46 tech services

PPRB

8 product factories until the end of 2019

81 tech services

Data  
factory

500+ subscriptions (data supermarket - access to data for business users)

Cloud

**NEW**

>80% of new requests for cloud infrastructure

SberCloud commercial launch

## Results

50% less code

Omnichannel

x 7 times Time to market

Up to 1 msec Real time system interaction

99.99 Reliability

100% Components available for reuse (parallel development, Open Source)

# Cybersecurity - we ensure the safety of funds and customer data



**>2 thousand attacks** in the first half of 2019

**96%** efficiency of fraud monitoring system -  
one of the best indicators in the world

**67 bn rub** of customer funds saved for the  
period 2018-2019

# AI-transformation also shows first practical results

NEW

new initiative

		Effects	
In the Bank's products/processes	<ul style="list-style-type: none"><li>~40% of individual customer requests are processed by a chat bot</li><li>~100 bn rub volume of loans issued through the K7M process</li></ul>	~\$1bn	Expected effect in 2020
Infrastructure	Target platforms (e.g. NLP, Speech Analytics, biometrics etc.)	8 platforms	Launched into commercial use
AI products NEW	AI Cloud based on supercomputer Kristofari (29th in the world)	Sberbank appointed an AI Competence Center in Russia	
AI for the State NEW	<ul style="list-style-type: none"><li>Sberbank took part in development of The National AI Strategy approved by President of RF</li><li>AI Journey - top 5 world AI conference (by audience)</li></ul>		

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HR and culture



Teams instead of  
hierarchy



New capabilities

# Key metrics in HR and culture are in line with Strategy 2020 goals



## Employee journey

Top-employer  
Staffing level (MASS & IT)  
Turnover



## Leader

NPS  
Protection  
Turnover Strategy 2020 people



## Culture

Engagement  
ENPS



## Tools and technologies

Share of mobile services  
AI in HR-processes, HR-analytics



## Processes and transactions

% less paper in processes  
HR share in Sberbank, %



## School 21 Design school Kurs HR platform

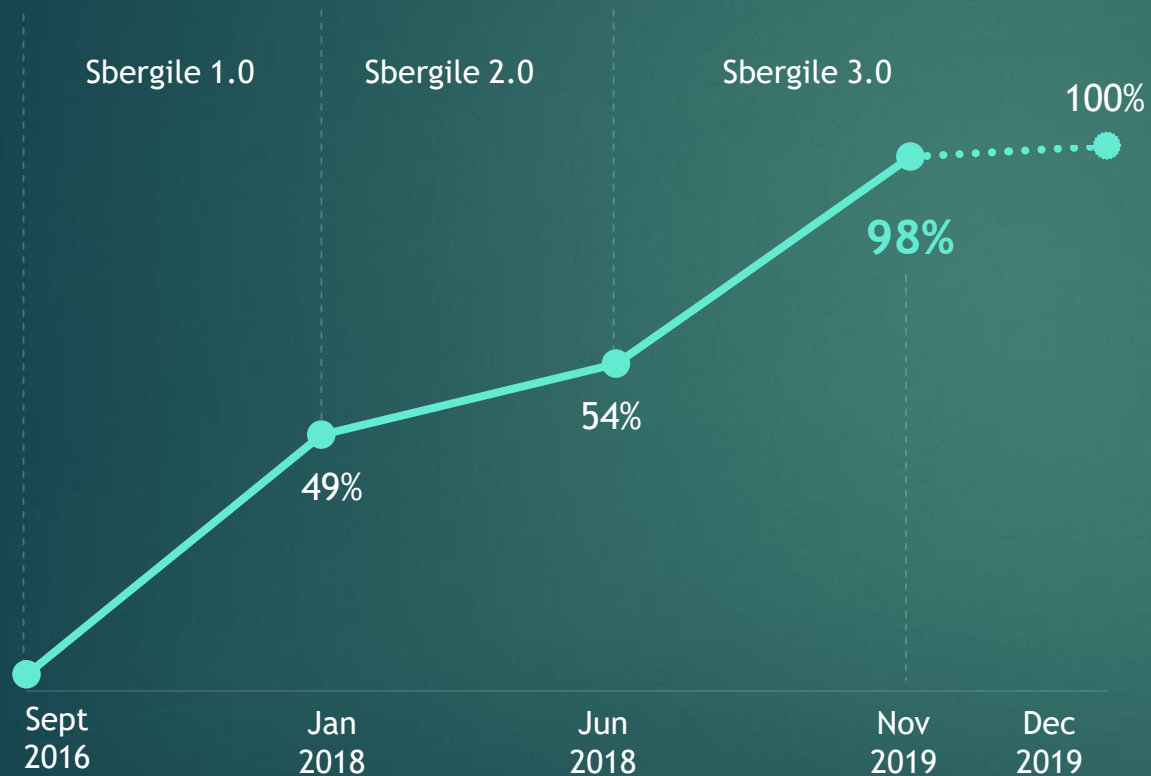
Number of students  
Number of graduates  
Number of system users  
TTM (old & new)





# Transition to Agile has been completed in Sberbank - the next priority is subsidiaries

**22.7** thousand people in Agile



## Production process

**x2** number of releases per year

**90%** implementations in DevOps

## Transparency

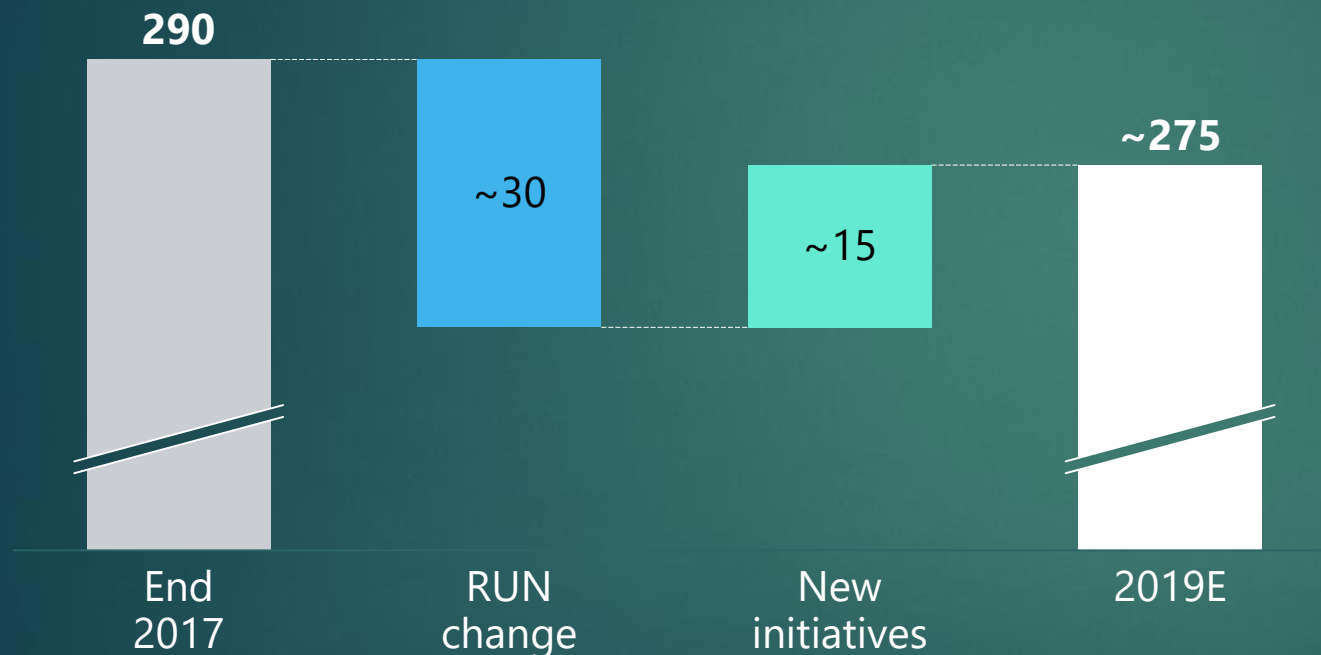
**~100%** of tribes covered by real-time monitoring

## Agile practice

**>25%** squads are assessed to be on an average to high maturity level

# We are significantly downsizing RUN functions and building up new capabilities

Projected headcount dynamics until 2019, thousand people



## RUN

+15% performance improvement in RUN functions

## NEW INITIATIVES

- IT / development
- ecosystem
- new products
- Data Science

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We are delivering on key financial metrics of Strategy 2020

**SBERBANK STRATEGY**  
**2020**

**ROE**

on-track

**NET INCOME**

on-track

**DIVIDENDS**

on-track