



# Dzhangir Dzhangirov

➤ Risk Management

# Sberbank group loan portfolio as of 01.10.2019 (IFRS)



## Key risk metrics for the group

% STAGE3+POCI

%

7.9%

COR annualized

%

0.72%

## Group Loan Portfolio Structure

Russia

Sberbank  
Europe

95,4%

2,5%

2,1%

CIS\*

\* CIS = Kazakhstan + Belarus + Ukraine

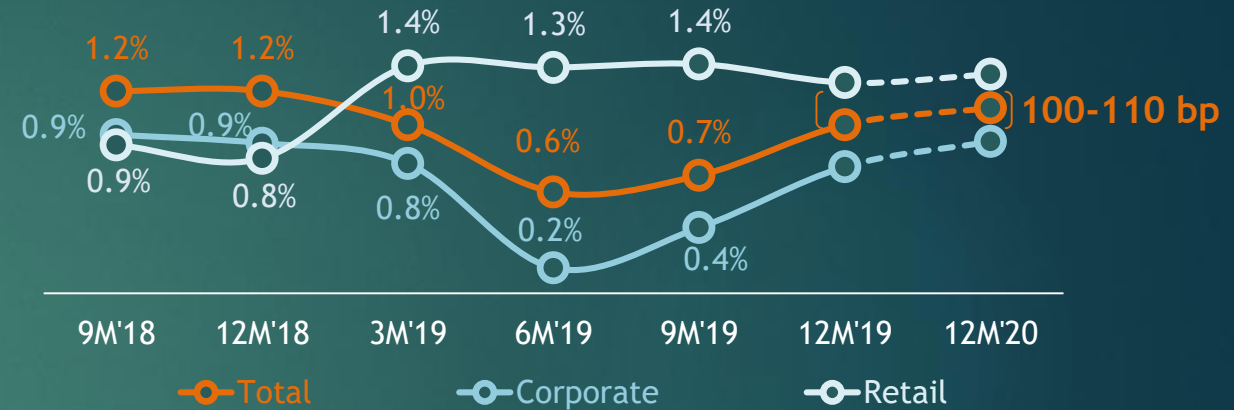
# Loan portfolio by stages, provision coverage, COR 9M'19 (IFRS)



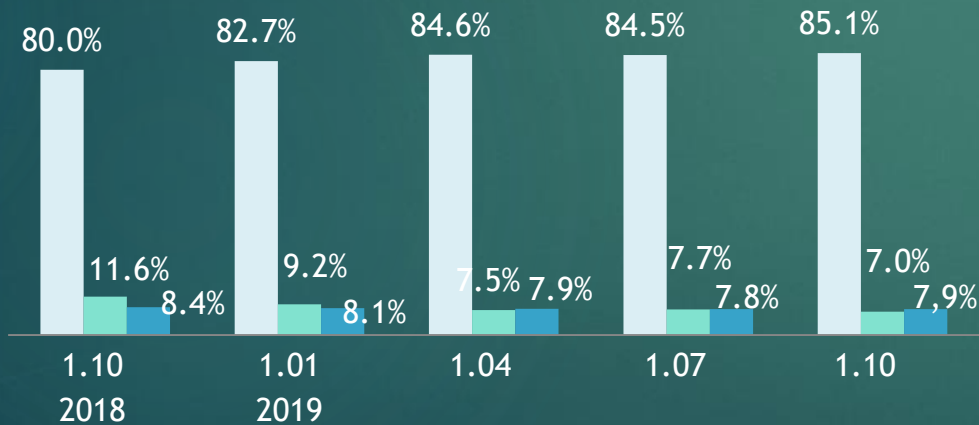
## Loan portfolio by stages



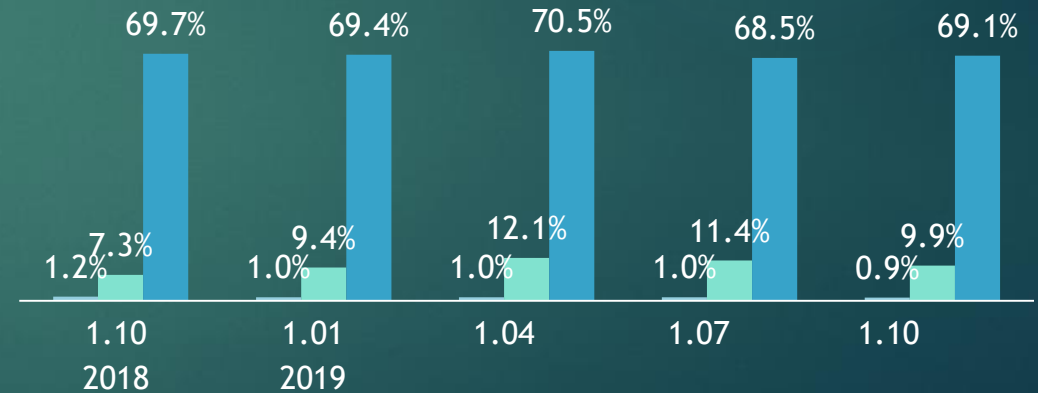
## COR annualized



## Loan portfolio by stages, shares



## Provision coverage by stages

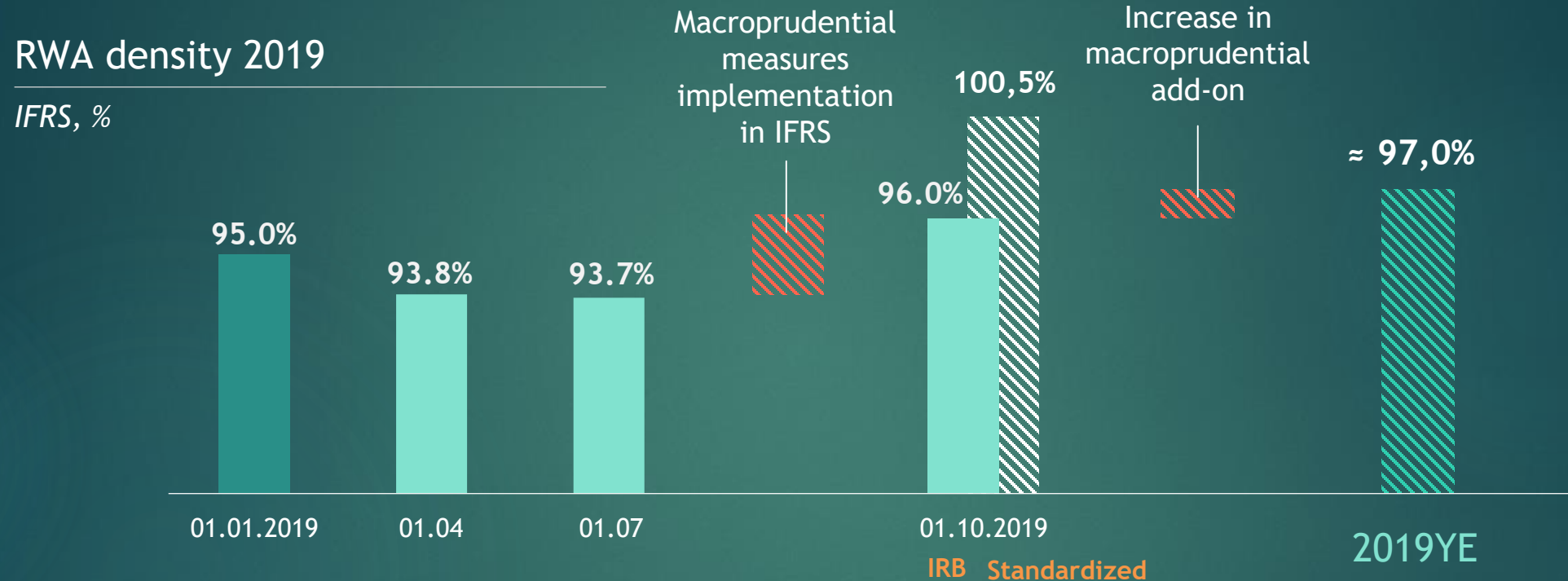


■ Stage 1   
 ■ Stage 2   
 ■ Stage 3 + POCI

\* CoR calculation changed starting from 2019: FX-driven change in provisions and FX-driven revaluation of loans at FV is excluded, Corporate CoR and Total CoR include provisions for loans at AC and revaluation of loans at FV due to change in credit quality.



# RWA density of the Group decreased in 1H 2019, but things can change...



## We will continue to improve RWA Density by:

- Enhancing IRB models
- Implementing risk mitigation techniques through the use of collateral

## The magnitude of improvement will largely depend on:

- Further steps of the Bank of Russia on Basel 3.5 implementation for IRB

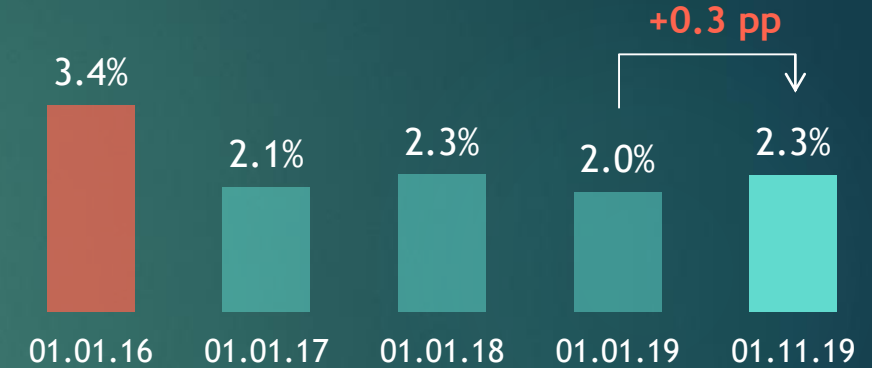
# Corporate loan portfolio quality (Sberbank Standalone, RAS)



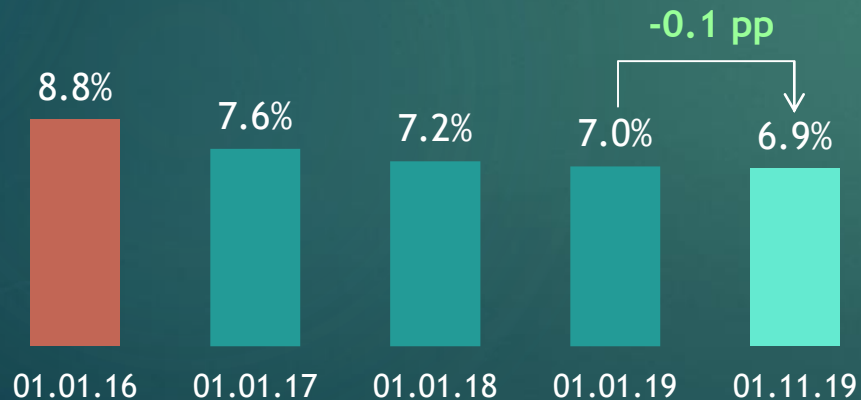
## Corporate loan portfolio, RAS



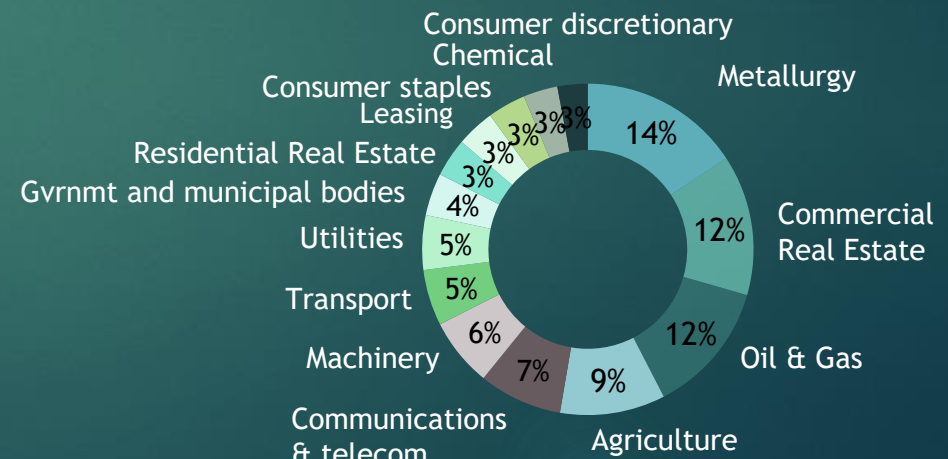
## Share of NPL90+ (on-balance)



## Share of defaults



## Loan portfolio industry breakdown

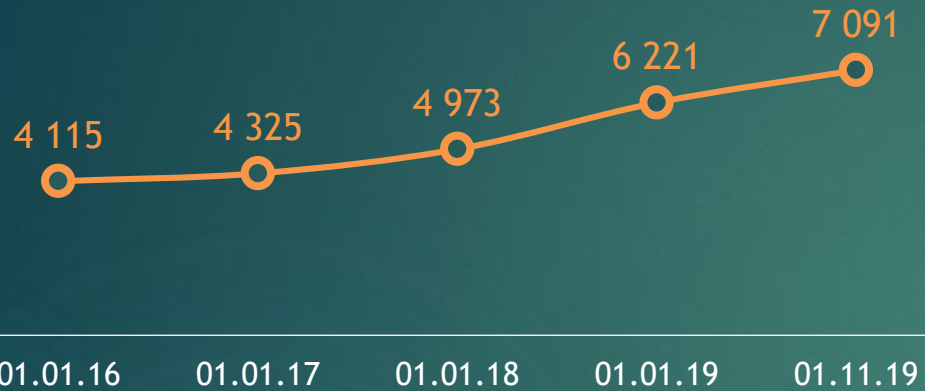


Industries with >3% share in the portfolio

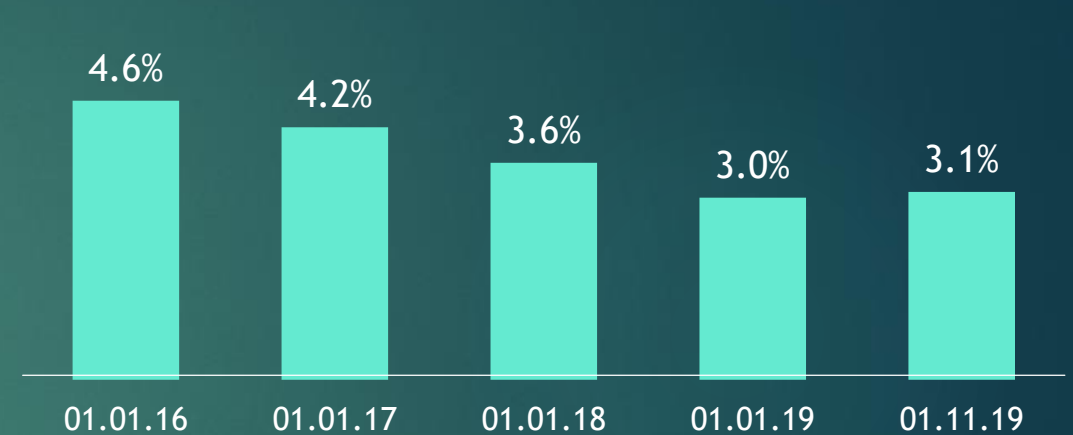
# Retail loan portfolio - 41% market share (Sberbank Standalone, RAS)

## Retail loan portfolio

RUB bn



## Share of NPL90+ (on-balance)



## Quality of loan issuances: Sberbank vs Banking sector

NPL90+ @12mob\*

Banking sector

*Mortgages*  
**0.40%**

*Consumer loans*  
**2.05%**

\* Share of NPL90+ in portfolio in 12m after the issuance  
Banking sector: Equifax data as of 01.04.19 (max. relevance)

Sberbank

**0.05%**

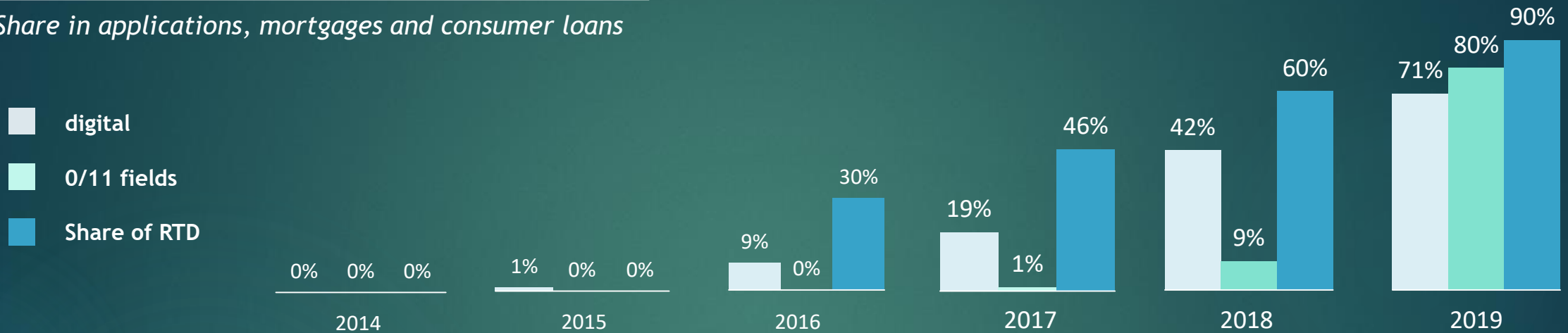
**1.12%**

# Retail risk strategy management (Sberbank Standalone, RAS)



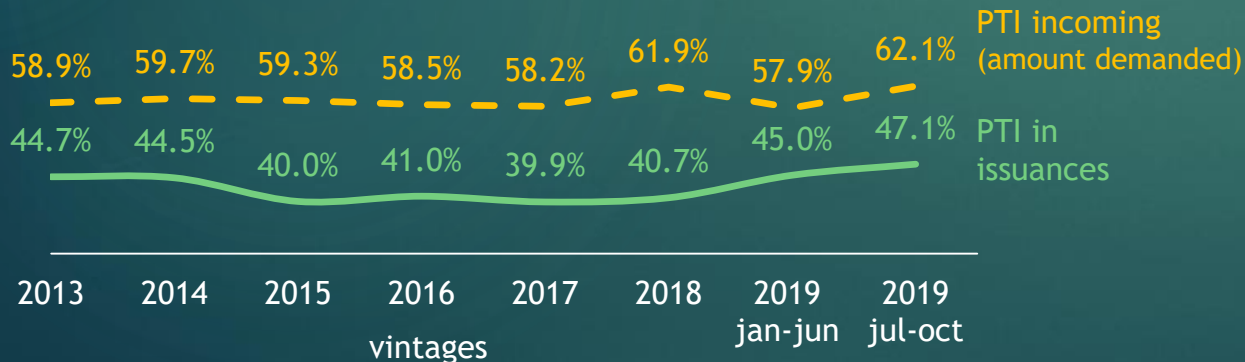
We accelerate and simplify the decision making process while maintain risk appetite

Share in applications, mortgages and consumer loans



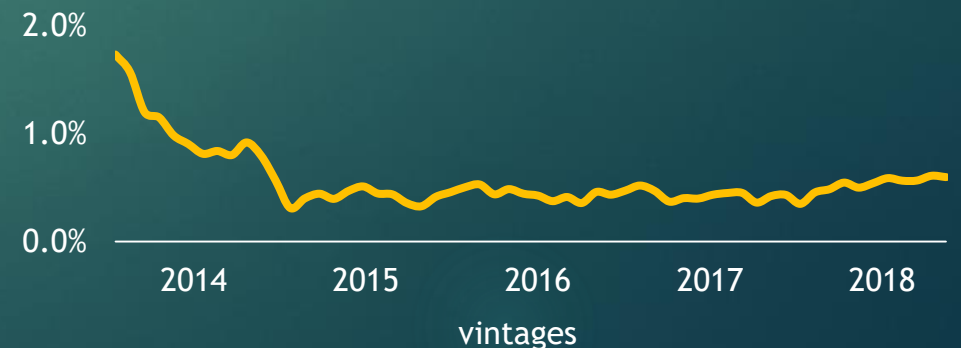
## Controlled PTI growth in 2019

PTI, mortgages and consumer loans



## Vintage analysis

NPL90+ @ 12mob, mortgages and consumer loans

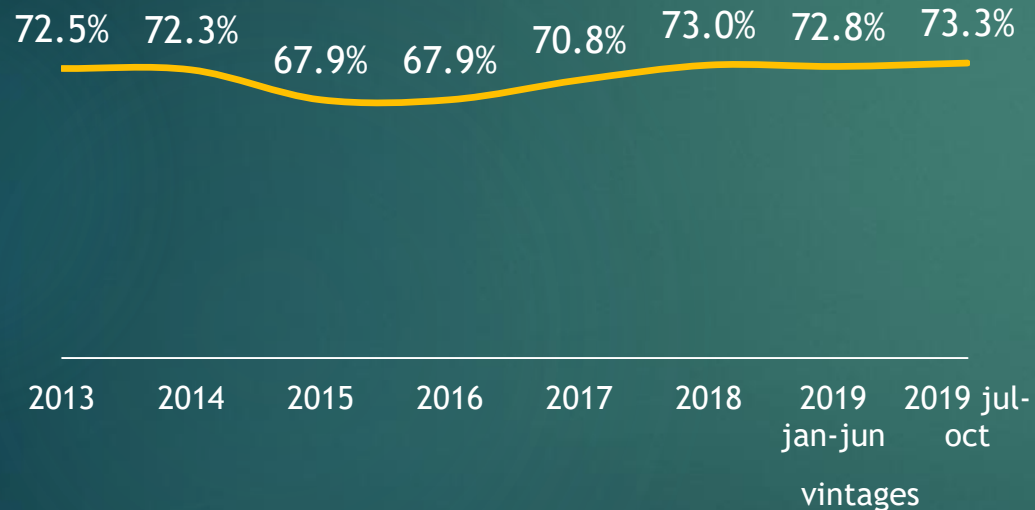


# Retail risk strategy management (Sberbank Standalone, RAS)



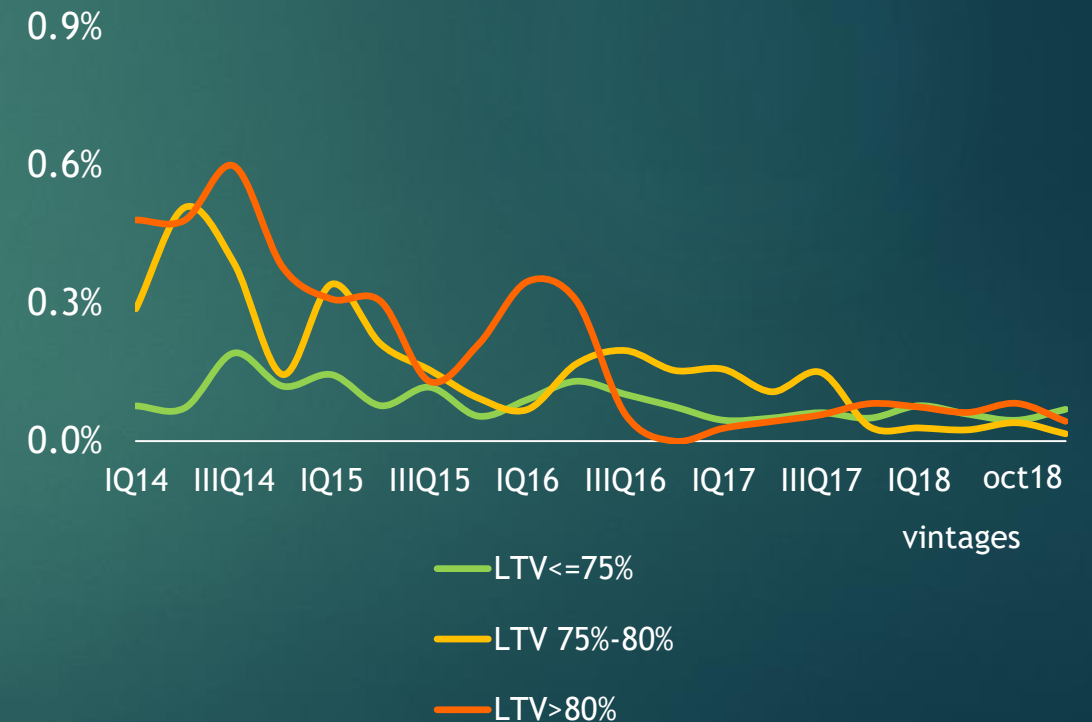
## Preserving mortgage portfolio quality: LTV was stable in 2019

*LTV, mortgages*



## Vintage analysis by LTV segments

*NPL90+ @ 12mob, mortgages*





# Retail risk management (Sberbank standalone, RAS)



## Hazard rate 90+

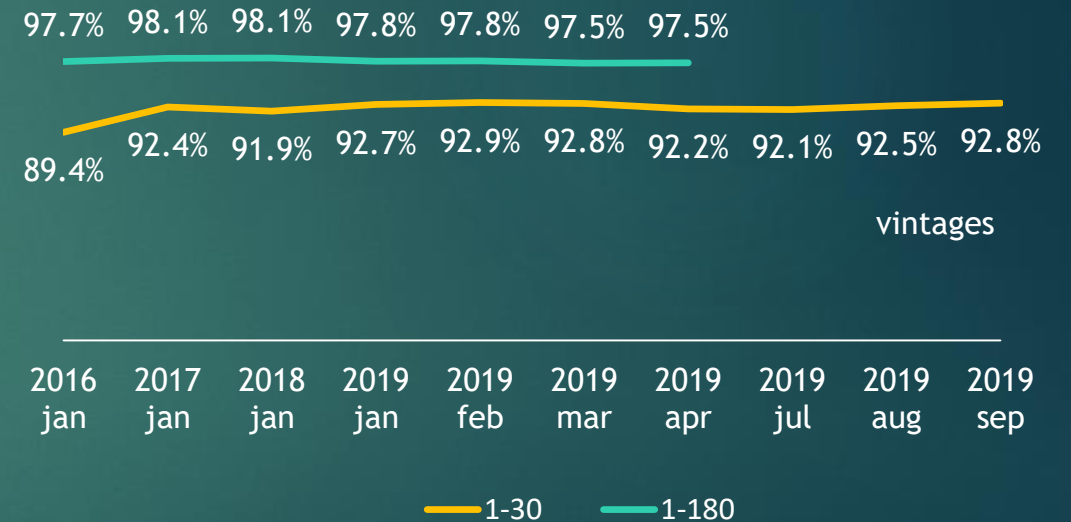
Retail loans  
new NPL90+ formation, annualized



Bank's risk strategy is adopted to market saturation,  
risk level is in-line with expectations

## Accumulated collection

Retail loans  
by vintages of 1+ overdue loans on the horizons of 1-30, 1-180



Collection was stable for the last 3 years

# Technological transformation



## Sberbank "Credit machine" created

**80%** applications - **0** fields

**90%** decisions within **2** min

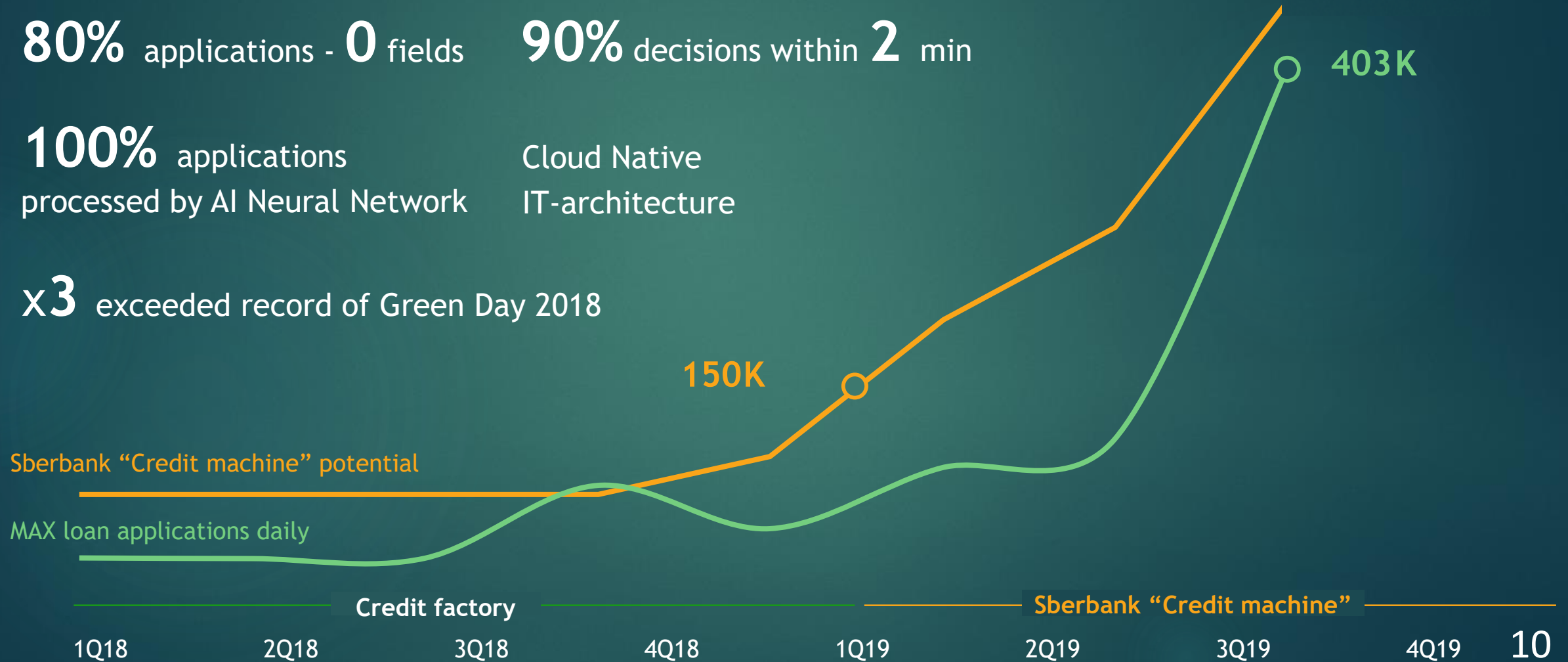
**100%** applications processed by AI Neural Network

Cloud Native IT-architecture

**x3** exceeded record of Green Day 2018

Sberbank "Credit machine" potential

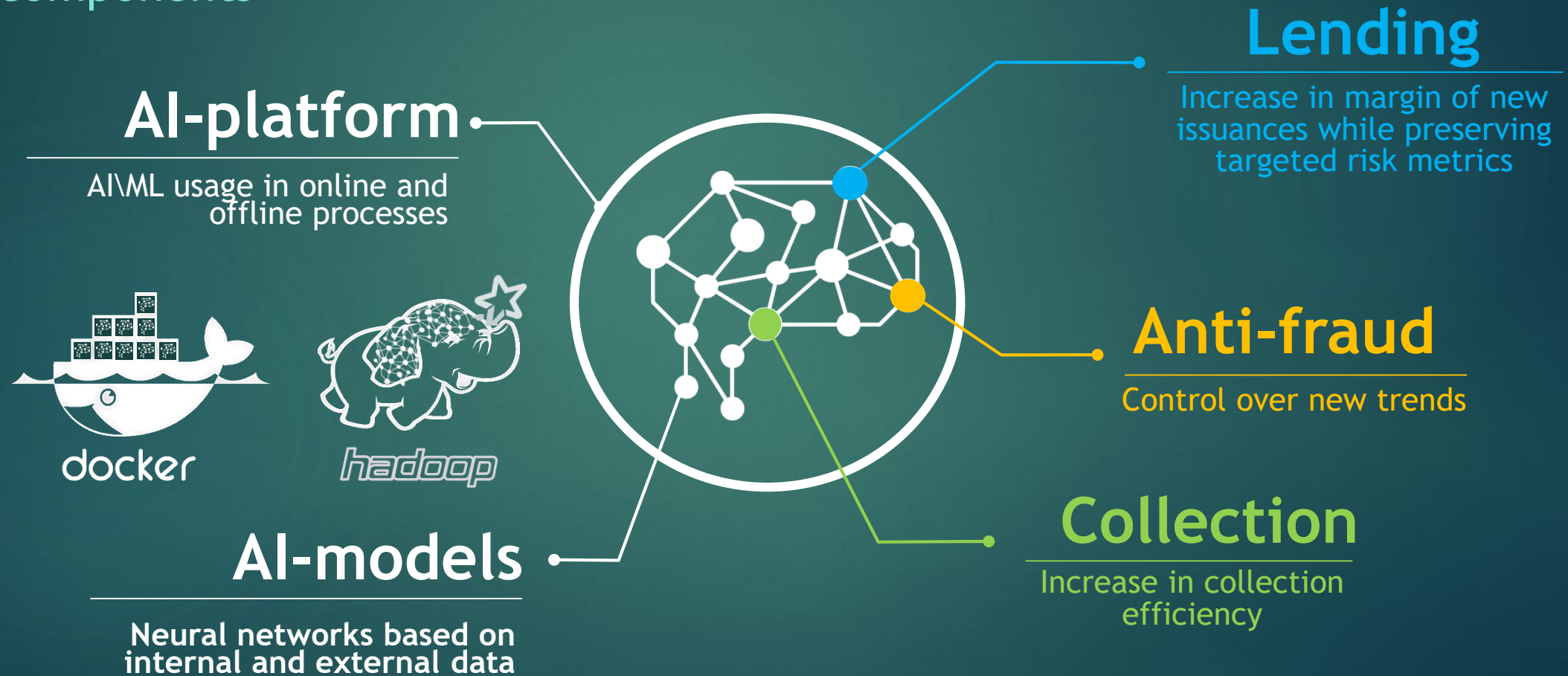
MAX loan applications daily



# AI in all retail risk management processes



Bank efficiency already rely on the quality of AI-components



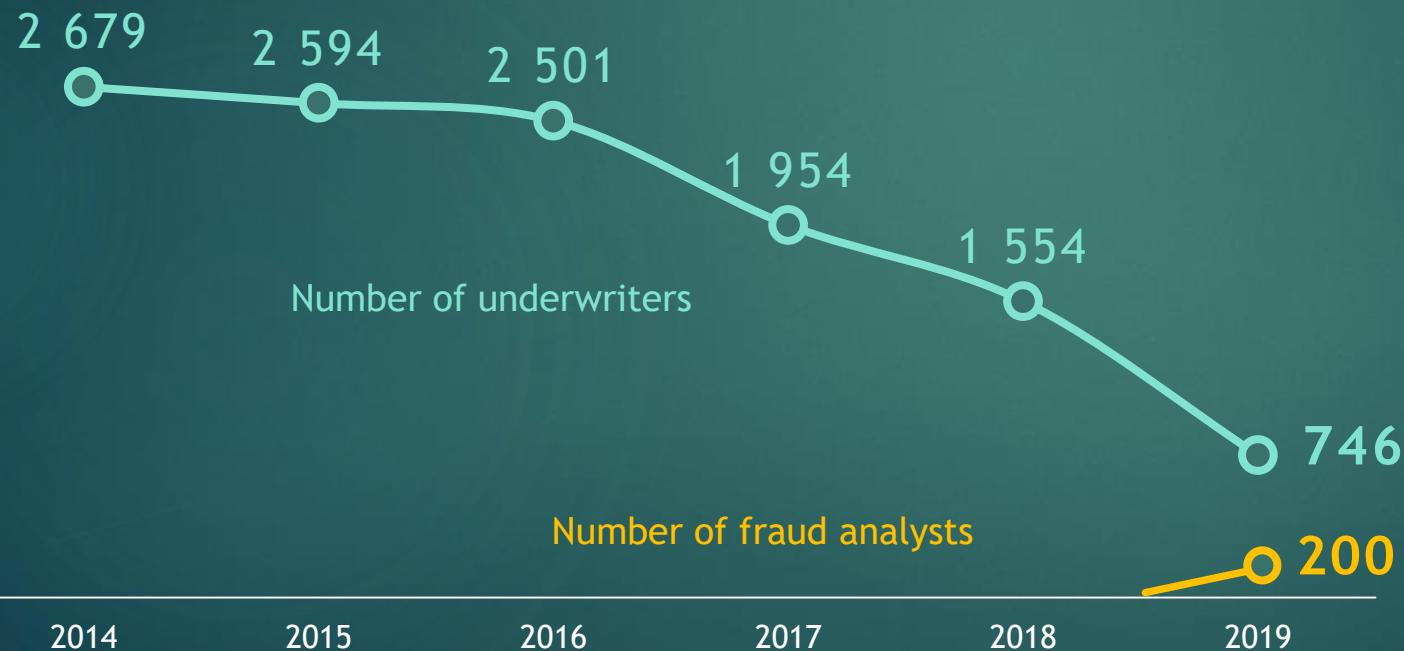
# AI & person



We reduce underwriting and create new profession

AI automates everything but the human expertise

## Fraud analyst complements AI



- > Markup  
Non-stop learning
- > Expert approach  
Deep expertise out of box
- > New fraud-trends under control

# Tech solutions in corporate underwriting: AI



## DEGL (Digital EverGreen Limits) implemented for SME clients

Everyday AI computes and updates pre-approved loans for more than 2 m corporate clients and individual entrepreneurs (incl. non-Sberbank clients)

To get money on your account you may just apply in Sberbank Business Online

### Clients

SME Russia

2 m

### Portfolio

RUB bn

>60

More than  
60k products

### Online

Contracts reviewed  
and disbursed

