



SBERBANK

INVESTOR PRESENTATION

Shaping the digital landscape
beyond banking

August 2020

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LEADING POSITION ACROSS KEY AREAS

Clients

 **96.9**^{mln}
active retail
clients in Russia

 **2.6**^{mln}
active corporate
clients in Russia

Online & offline

 **72.8**^{mln}
active retail digital
users

 **2.2**^{mln}
active corporate
digital users

 **14.1k**
branches in Russia

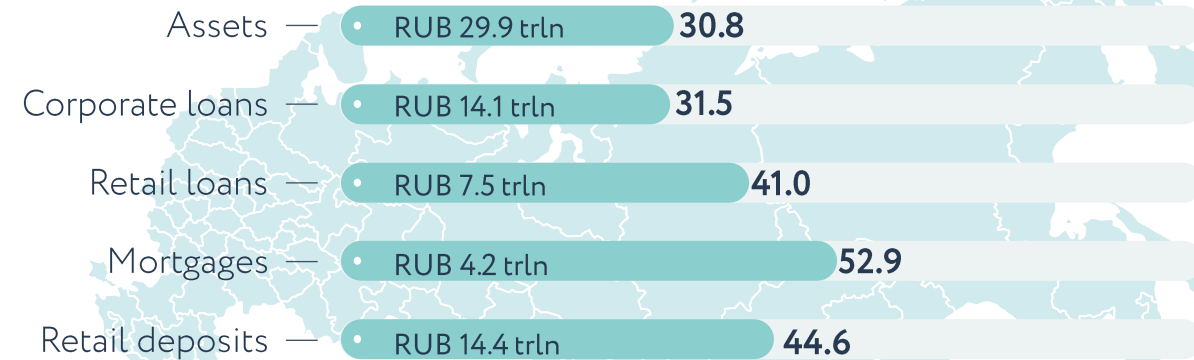
Team

 **277k**
employees

 **77k**
ATMs and self-service
terminals in Russia

 **3.4k**
Direct sales agents

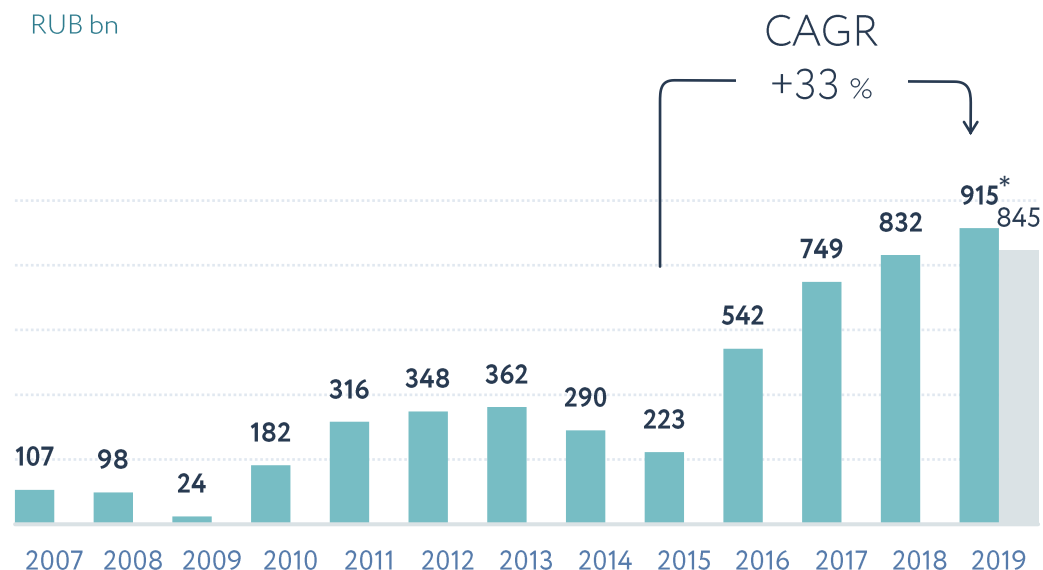
Market shares in Russia
as of 2Q 2020, %



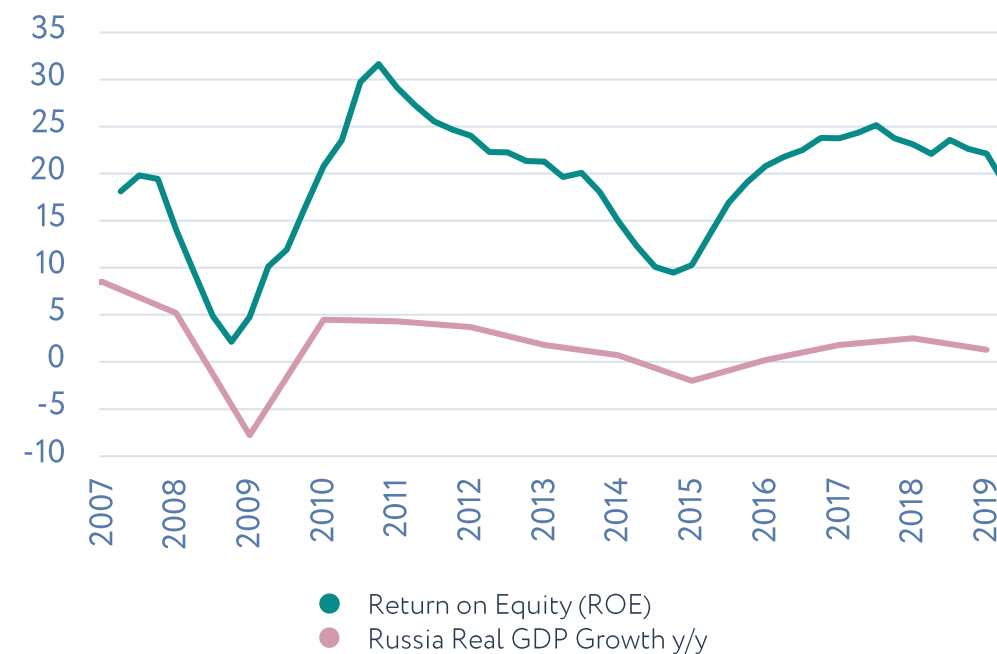
Sberbank standalone, RAS

TRACK RECORD OF SUSTAINABLE PROFITABILITY

Net Profit
RUB bn

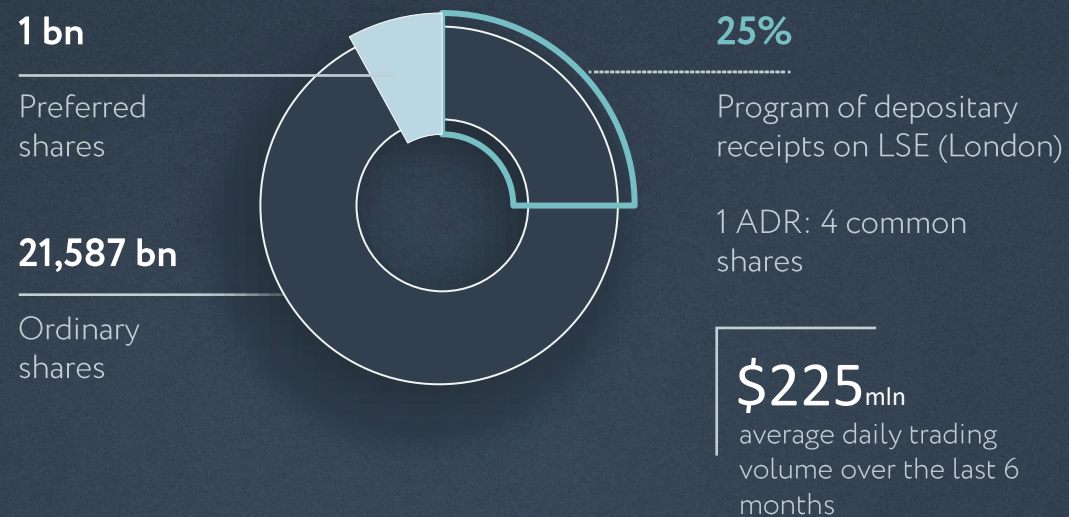


Return on Equity (ROE) and Real GDP growth
%



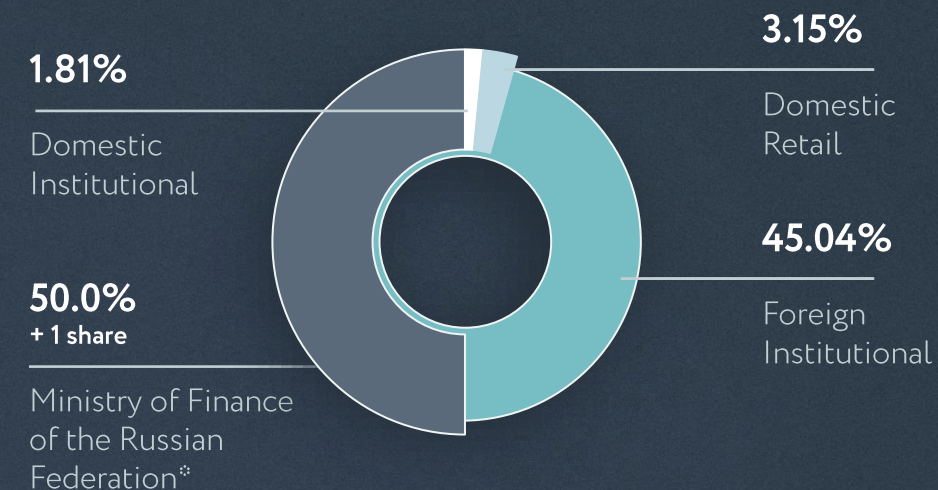
LIQUID AND DIVERSE SHAREHOLDER BASE

Structure of Sberbank share capital

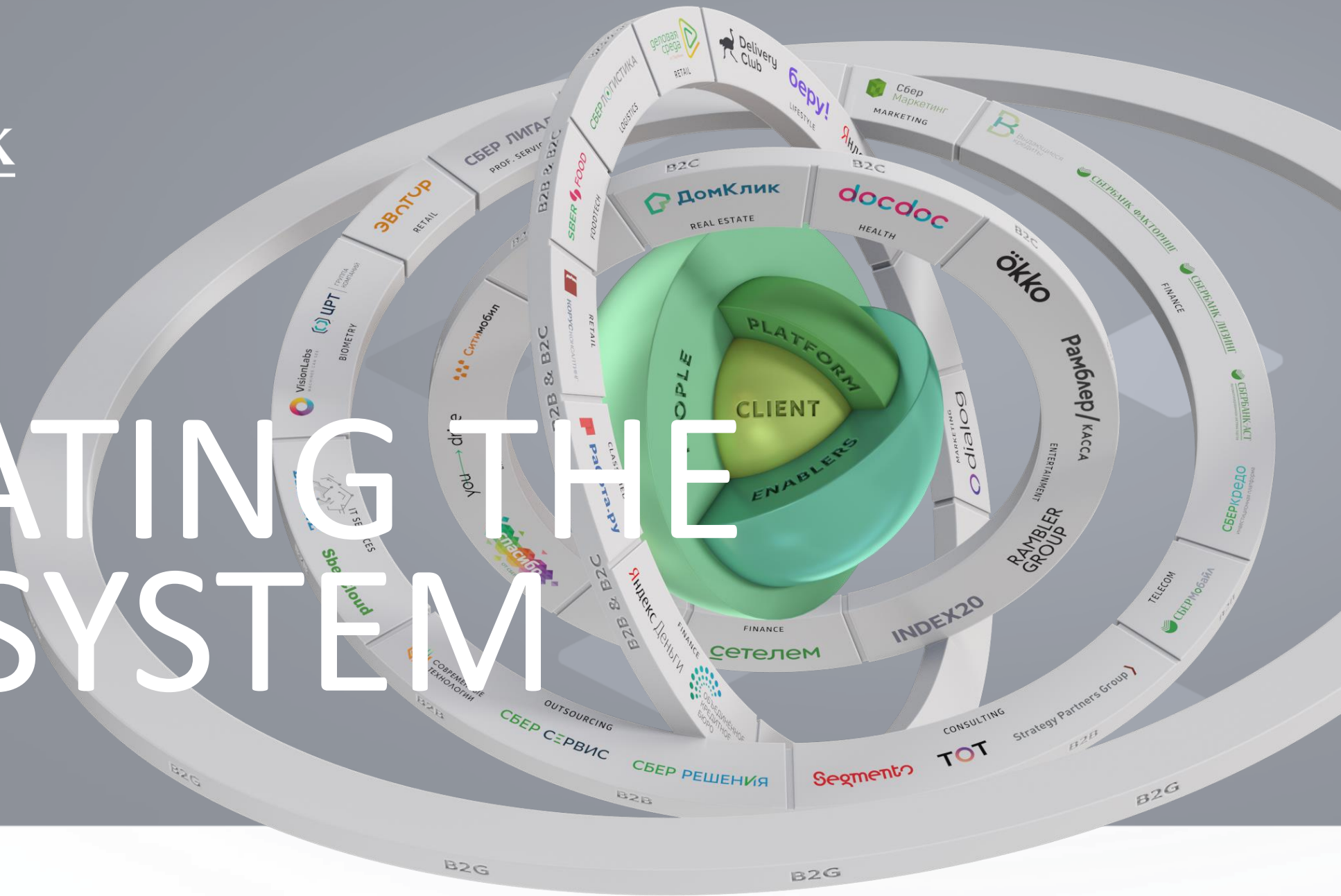


Listings: MOEX, LSE,
Deutsche Börse + OTC trading (US, Europe, Russia)

Shareholder structure as of 29.04.2019



The total number of shareholders — over 253 thousand



ECOSYSTEM BRAND LIST

Total Investments
as of 2019YE

RUB 125 bn (2.8% of Total Equity)
Incl. M&A of RUB 108 bn

Revenue 2019

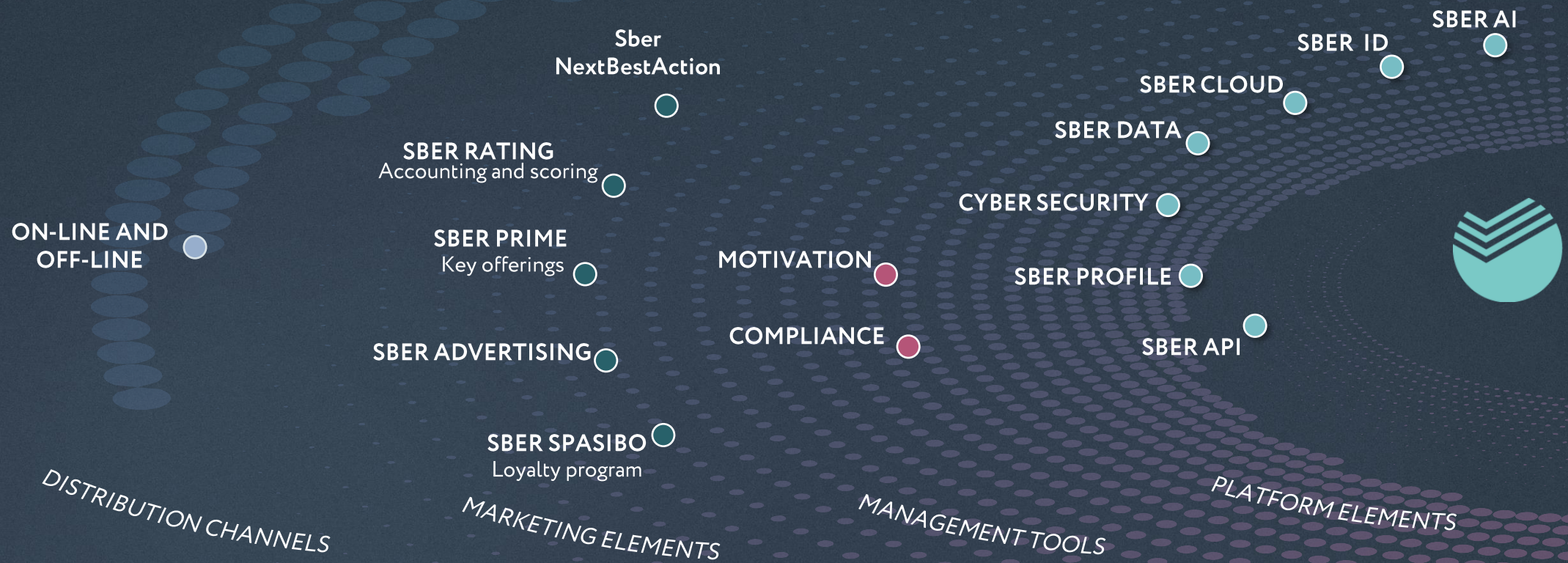
Around RUB 70 bn,
RUB 35+ bn attributable to Sberbank



CORPORATE ECOSYSTEM



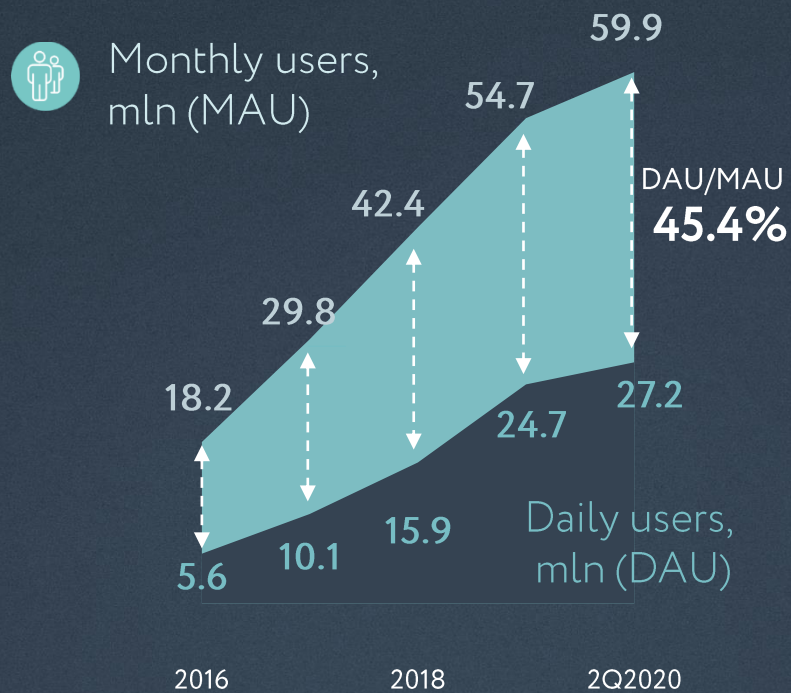
DEVELOPING THE ECOSYSTEM ENABLERS



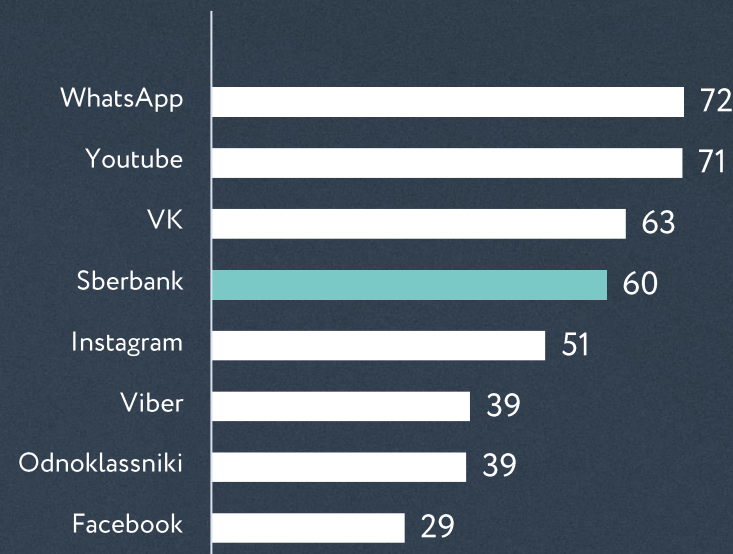
FOCUS ON TRAFFIC



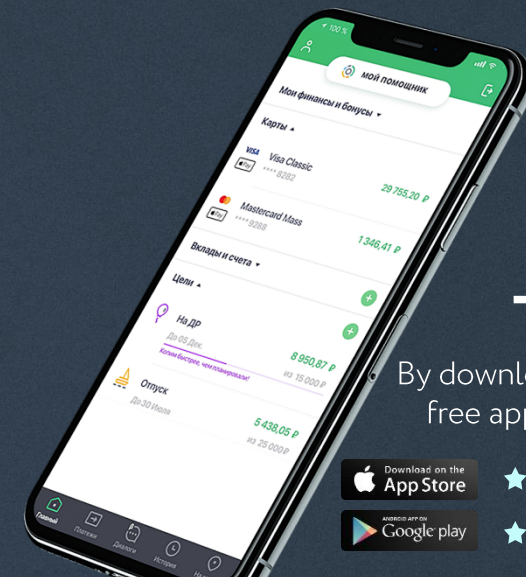
SBERBANK APP: COMPETING FOR USER ENGAGEMENT AGAINST SOCIAL MEDIA



MAU of top Russian applications
mln



Source: Mediascope, as of 30.04.2020;
Sberbank MAU in-house data, as of 30.06.2020



TOP 3

By downloads among
free apps in Russia



★★★★★ 4.6



★★★★★ 4.8

FURTHER DEVELOPMENT TO STIMULATE DIGITAL SALES

128 Services available



Payments & transfers

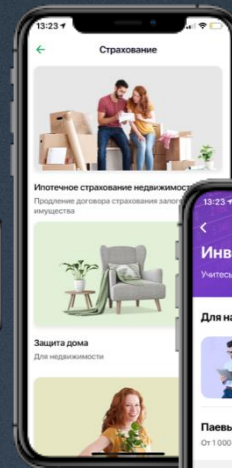
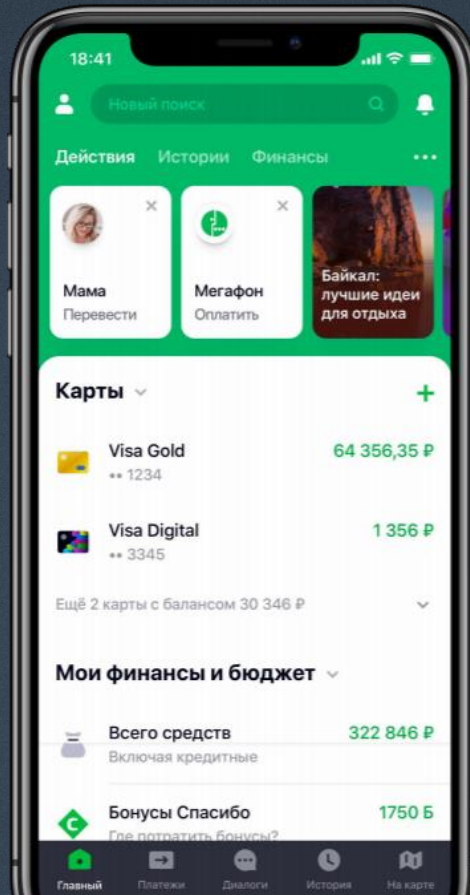


Wealth management

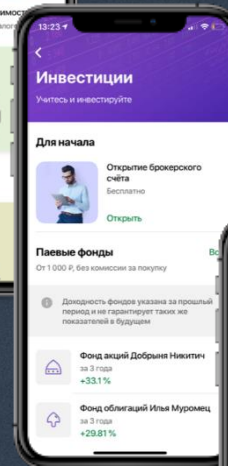


Loans and deposits

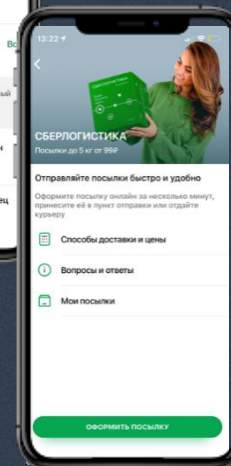
418 UI/UX developments in 2019



Insurance

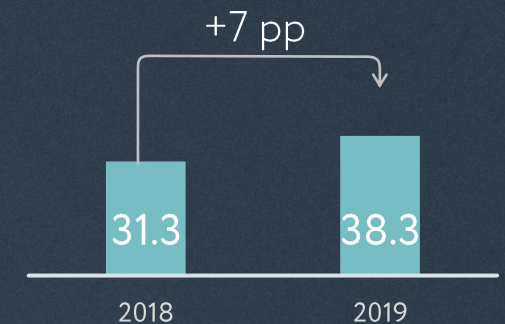


Investments



Logistics

Share of digital sales %



ECOSYSTEM FACILITATES CLIENT INFLOW



MAU
~3.4 mln (X3.2 y/y)

RAMBLER&Co
Media assets

62 mln
unique users



MAU
7.5 mln (X2.6 y/y)



Delivery Club

Food delivery

orders 2Q 2020
16.1 mln (X3 y/y)

ökko

OTT platform

Paying MAU OKKO 2Q 2020
1.16 mln

FOCUS ON GROWTH



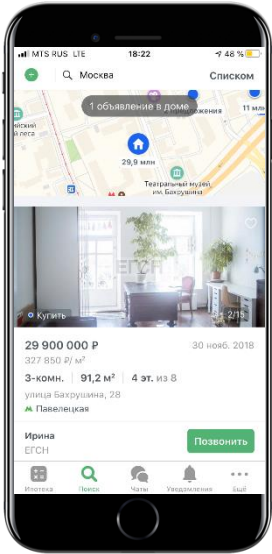
Yesterday

2 years ago client interacted with 6 various entities



Today

All steps are in one window



7.5^{mln}
MAU
X2.6 yoy

- ✓ Fully remote process launched
- ✓ 80% of deals includes “Secure settlement” and “e-registration” services

#1 by number of listings on secondary real estate market

1.9^{bn} RUB
income from new services in 2Q 2020

DEVELOPMENT OF KEY NON-FINANCIAL SERVICES

O2O Sberbank + Mail.Ru Group

Sberbank + Rambler



Housing ecosystem

MAU
7.5 mln (X2.6 y/y)

Share of electronic
registration in issues
X2 Q/Q

Operating income
from non-financial
services in 2Q
+39% y/y



Food delivery

restaurants 2Q 2020
23.6k (+51% Q/Q)

orders 2Q 2020
16 mln (+45% Q/Q)

Revenue 2Q 2020
X2.9 y/y



Taxi ride-hailing

MAU
~3.4 mln (X3.2 y/y)

rides 2Q 2020
35.7 mln (-10% Q/Q)

GMV 2Q 2020
X2.8 y/y



E-grocery

cities in 2Q
113 (X2 Q/Q)

orders 2Q 2020
X17 r/r

GMV в 2Q
X2.4 Q/Q



Delivery from dark stores

dark stores
>230

orders 2Q 2020
>3.6 mln (2.6X Q/Q)

GMV 2Q 2020
3.5X Q/Q



Media & video-streaming

Paying MAU (OKKO)
2Q 2020

1.16 mln

Brand awareness (OKKO)
+8 pp

Revenue OKKO 2Q 2020
X2.5 y/y



Clients



Volumes



Revenue



**Guidance
2020**

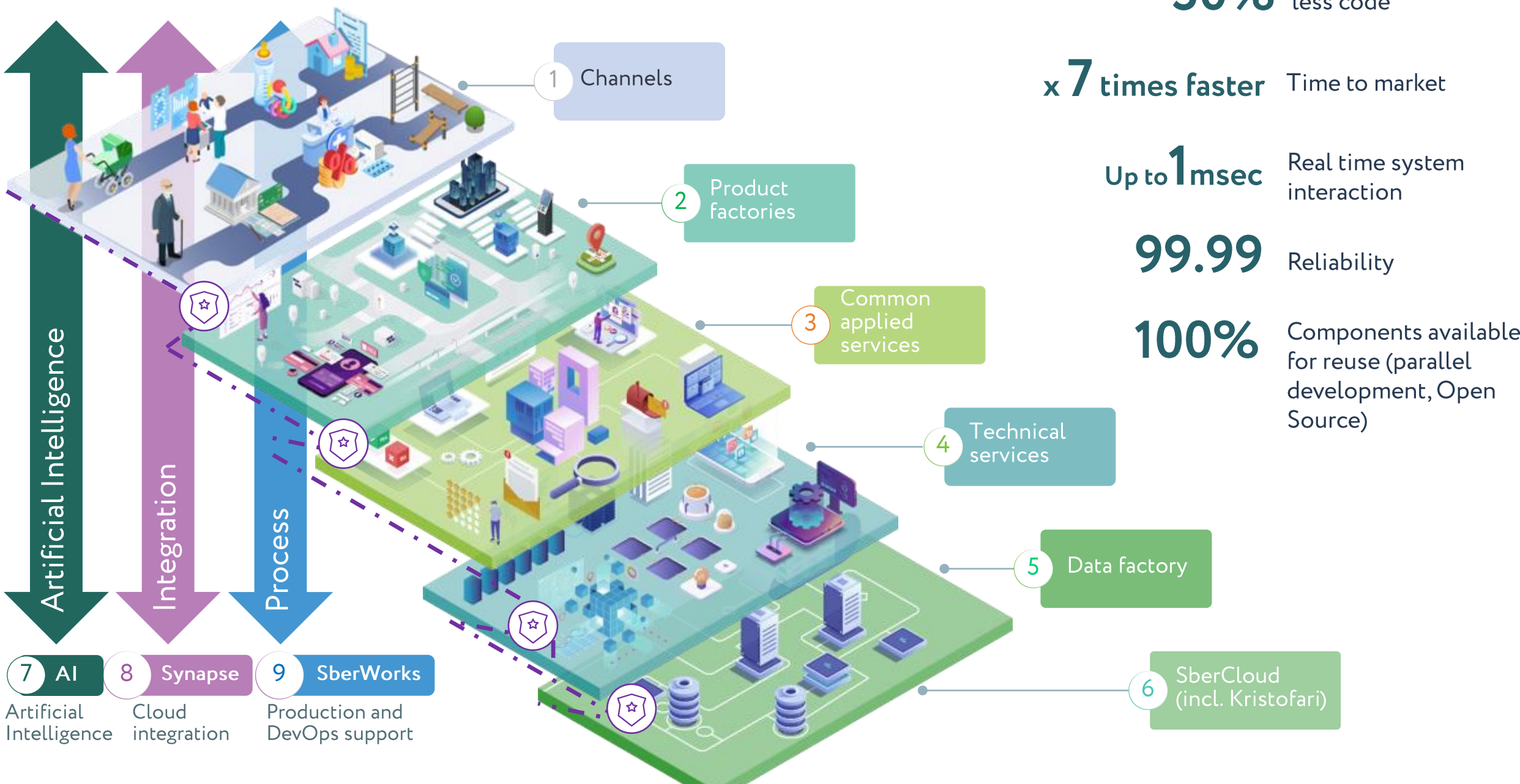
RUB 70+ bn

Revenue from non-financial digital
companies attributable to Sberbank

FOCUS ON TECH



CREATING A DIGITAL PLATFORM



EVOLUTION OF PLATFORM BUILDING APPROACH

2014-
2017



From automated systems
centralization
to a banking platform

Consolidation of infrastructure and
centralization of databases

Start of large-scale technological
transformation

Technological platform basis
development

2018



Platform evolution
for banking and
non-banking services

Private cloud for Sberbank

Cloud-ready applications

Unified development
environment

2019+



Platform for ecosystem
and market

Production launch of platform

Cloud platform
with cloud-native components for
ecosystem and market

Scaling of ecosystem unifying elements

Priority 2022

80%

of clients transaction
volume have migrated
to the platform

AI-TRANSFORMATION SHOWS FIRST PRACTICAL RESULTS

Products & processes

~40% of individual customer requests are processed by a chat bot

~100 bn rub volume of loans issued through the K7M ("loan in 7 minutes") process

Infrastructure

Target platforms (e.g. NLP, Speech Analytics, biometrics etc.)

AI for the State

Sberbank took part in development of The National AI Strategy approved by President of RF

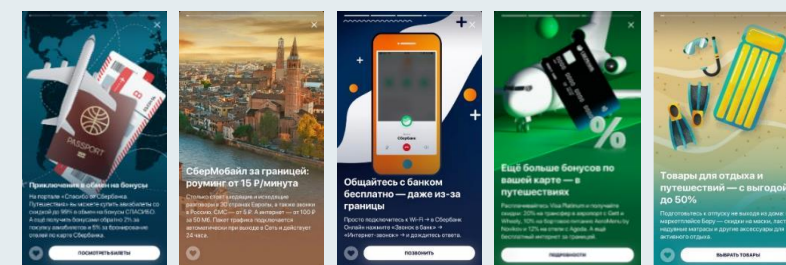
KEY EFFECTS

~\$1bn expected effect in 2020

8 platforms launched into commercial use

4% client transactions performed upon personalized advices

Sberbank appointed an AI Competence Center in Russia



WE ENSURE THE SAFETY OF FUNDS AND CUSTOMER DATA



Built and launched Security Operation Center - SOC of the new generation



Sberbank is a founding partner of The World Economic Forum (WEF) **Global Cyber Center**



Sberbank headed the competence center "**Information Security**" under the "Digital Economy" program



The Cybersecurity Academy was created and launched

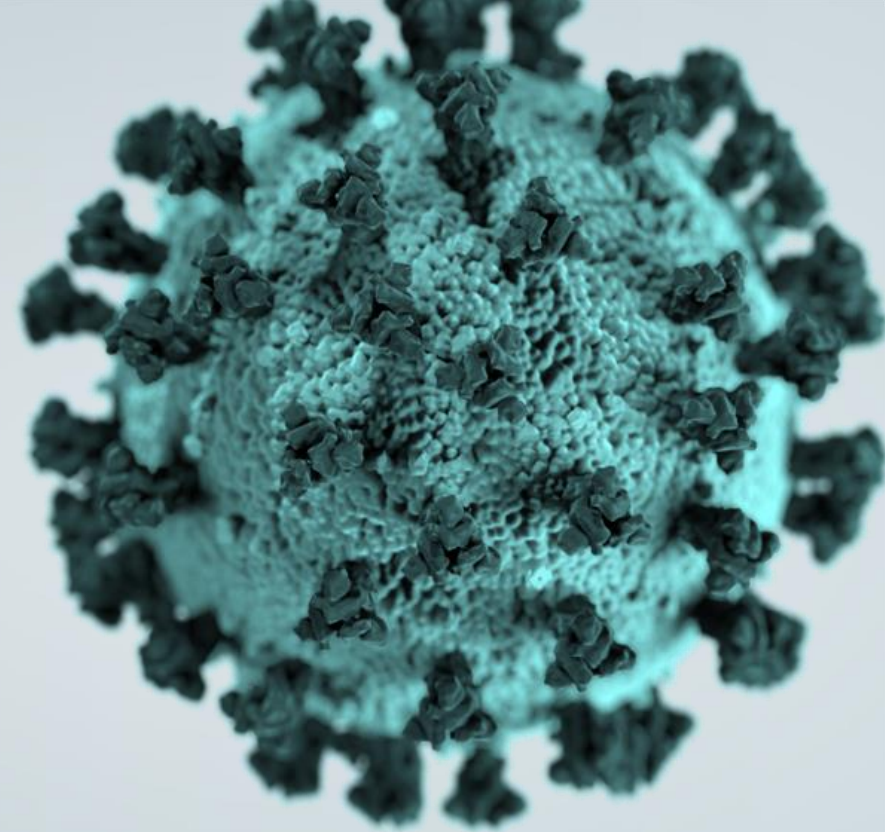


>4k attacks in 2019

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

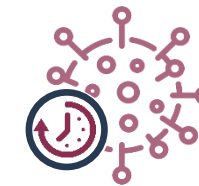




MACRO RECOVERY



COVID-19: EASING OF RESTRICTIONS



Lockdown measures are being lifted in most regions

12.06



29.07



0 Stage

Only essential organizations, industrial and construction companies work



1 Stage

Non-food stores and services with restriction, recreation areas, outdoor sports facilities



2 Stage

Shopping centres, educational organizations



3 Stage

Restaurants, hotels, parks, shops and services without restriction

Number of regions

12.06

29.07

12

0

62

33

10

37

1

15



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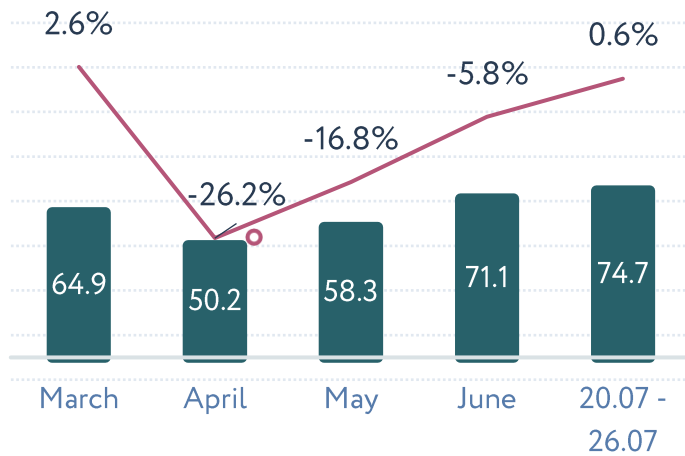
Investor Presentation

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CONSUMPTION IS SET TO RECOVER

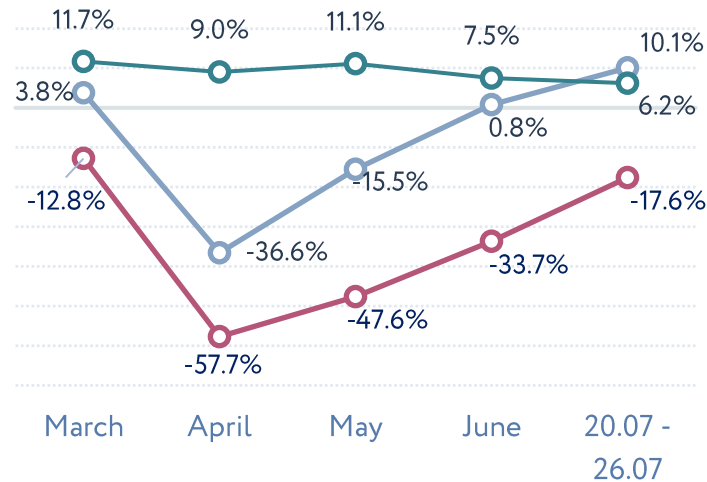
Household spending on goods and services and consumer confidence index

%



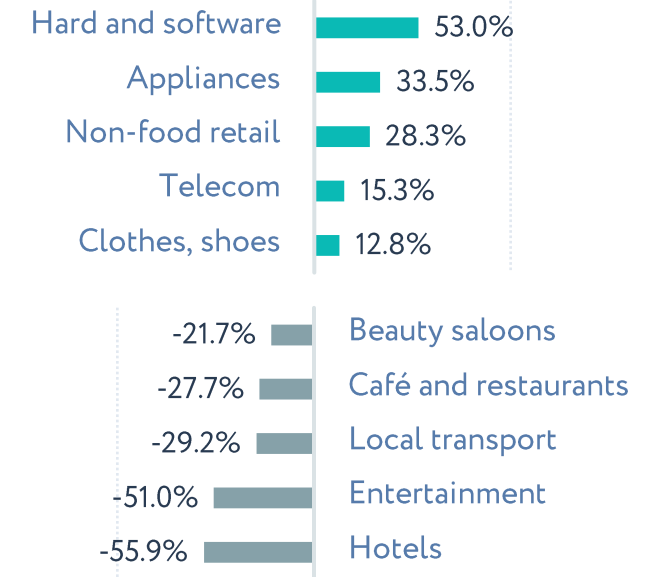
- Sberbank consumer confidence index, points
(100 – index as of December 30, 2019
40 – index as of January 1, 2020)
- Household spending on goods and services, yoy, %

Change in household spending by type



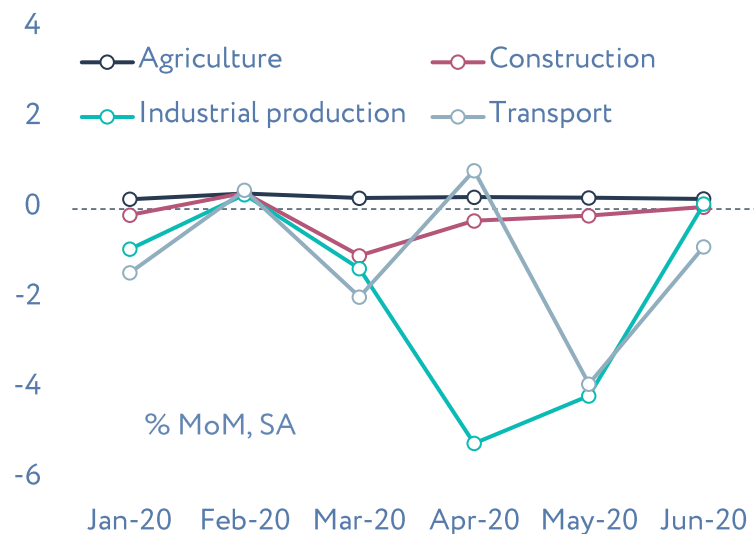
- Food retail, yoy
- Non-food retail, yoy
- Services, yoy

Dynamics of selected categories of household spending during the week of July 20–26, % YoY

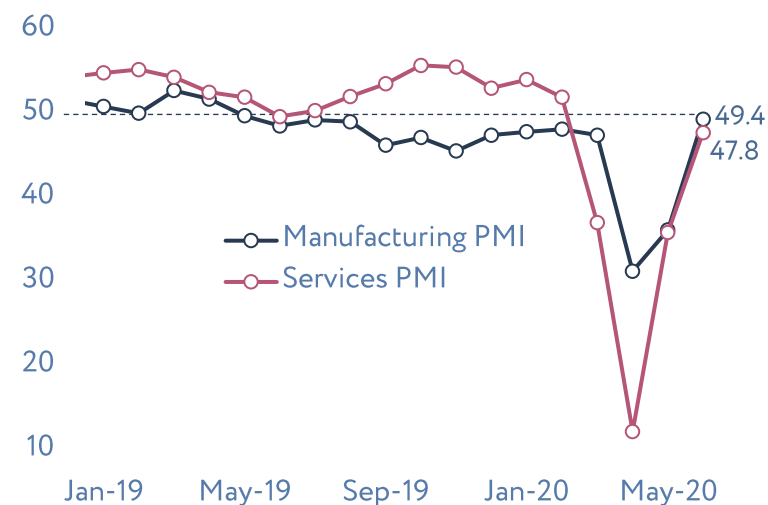


BUSINESS IS TURNING TO RECOVERY, ALTHOUGH SLOWLY

Contraction in base industries mostly disappeared



Business activity nears stabilization following some easing of the Covid-19 restrictions



MACRO FORECAST

as of July 2020

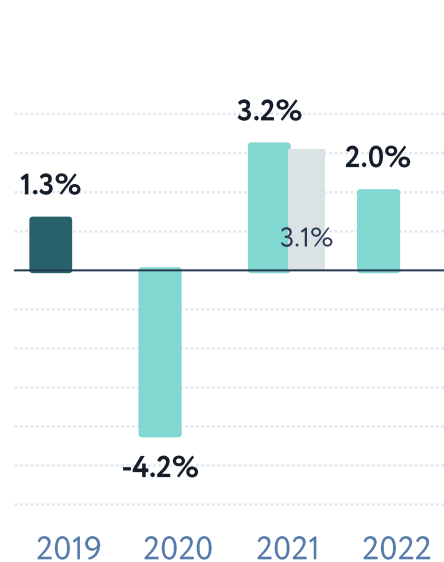


Baseline scenario

Urals
\$42 in 2020
 \$51 in 2021
 \$55 in 2022

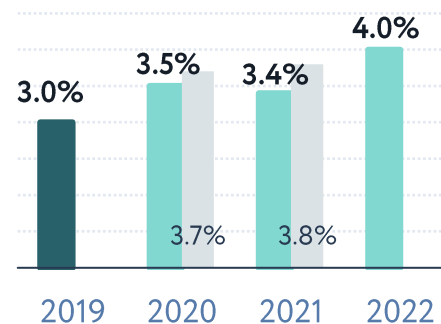
Economic growth

Real, y/y



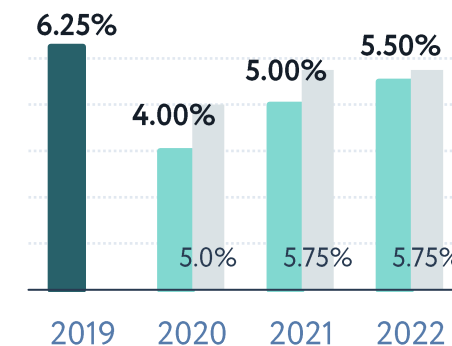
Inflation

End of period



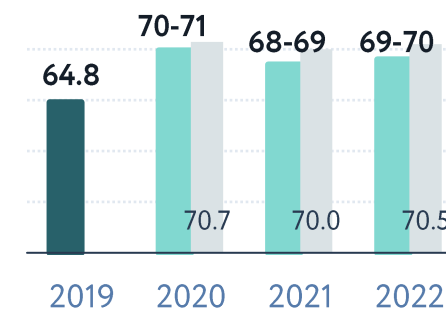
CBR key rate

End of period



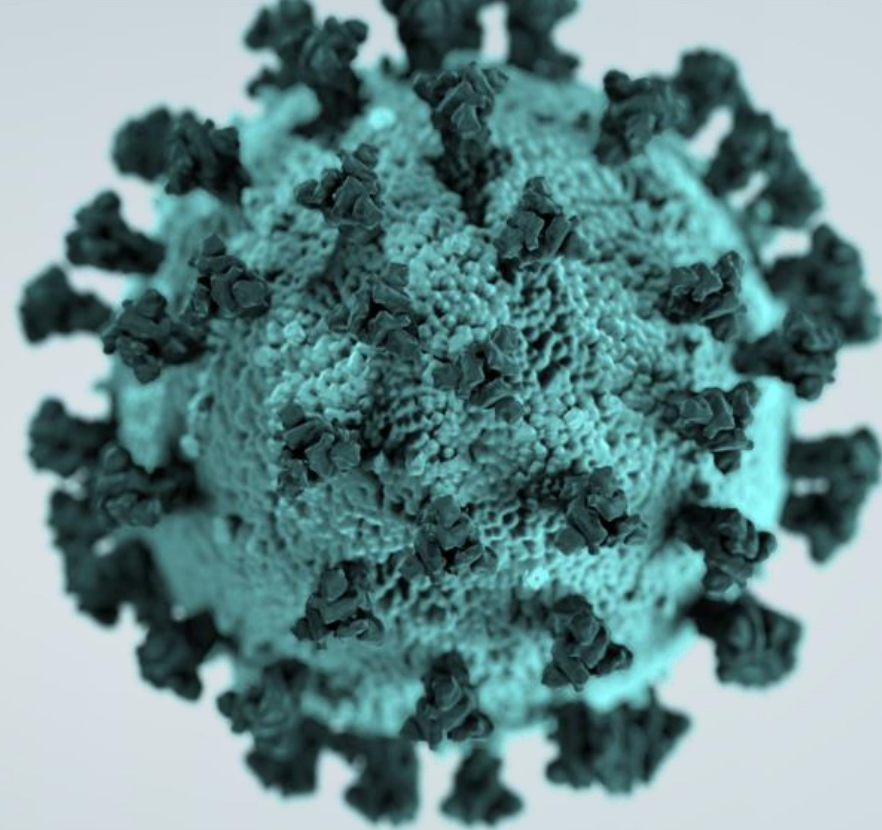
RUB / USD

Average for the year



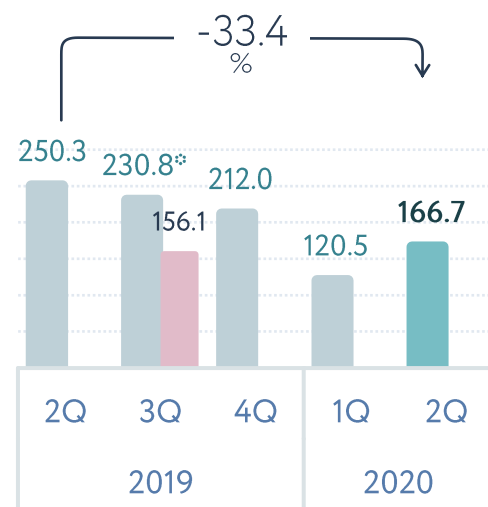
■ New forecast
■ Previous forecast (as of April 2020)

2Q 2020 EARNINGS

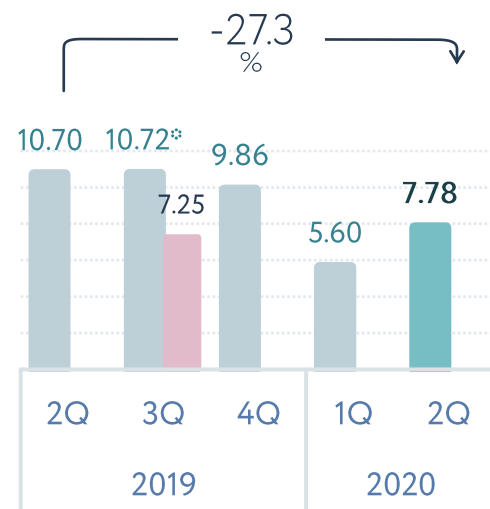


KEY FINANCIAL INDICATORS

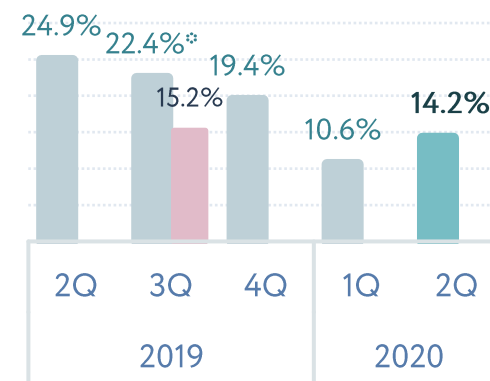
Net Profit
RUB bn



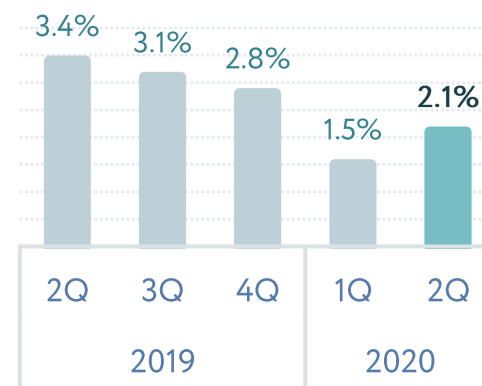
Earnings per
ordinary share (EPS)
RUB



Return
on Equity (ROE)
%



Return
on Assets (ROA)*
%



*Profit from continuing operations

SELECTED BALANCE SHEET AND INCOME STATEMENT ITEMS

IFRS, RUB bln	30.06.2020	31.03.2019	Q-Q	31.12.2019	YTD
ASSETS					
Loans & advances to customers (net)	21 192.5	21 555.4	-1.7 %	20 363.5	4.1 %
Securities	4 845.0	4 671.2	3.7 %	4 369.7	10.9 %
Total assets	32 383.4	32 068.9	1.0 %	29 958.9	8.1 %
LIABILITIES & EQUITY					
Customer deposits	23 312.4	23 061.8	1.1 %	21 574.4	8.1 %
Medium & LT funding	1 478.7	1 510.8	-2.1 %	1 374.2	7.6 %
Other liabilities	2 764.7	2 896.7	-4.6 %	2 523.6	9.6 %
Equity	4 827.6	4 599.6	5.0 %	4 486.7	7.6 %
CET 1 ratio	14.78 %	13.31 %	1.47 pp	13.41 %	1.37 pp
CAR	15.23 %	13.79 %	1.44 pp	13.59 %	1.64 pp
Leverage ratio	13.7 %	13.1 %	0.6 pp	13.7 %	0.0 pp

IFRS, RUB bln	2Q 2020	2Q 2019	2Q20 / 2Q19	6M 2020	6M 2019	6M 2020 / 6M 2019
Net interest income	398.5	353.1	12.9 %	770.4	690.6	11.6 %
Net F&C	120.0	116.7	2.8 %	246.4	219.6	12.2 %
Operating income before provisions **	514.9	486.8	5.8 %	1 023.5	962.7	6.3 %
Net charge related to change in asset quality *	-132.9	-8.8	1410.2 %	-300.0	-54.3	452.5 %
Operating expenses	-172.4	-168.5	2.3 %	-341.6	-319.2	7.0 %
Income tax expense	-42.2	-61.2	-31.0 %	-79.4	-119.1	-33.3 %
Net profit from continuing operations	166.7	245.9	-32.2 %	287.2	472.0	-39.2 %
Net profit	166.7	250.3	-33.4 %	287.2	476.9	-39.8 %
NIM	5.61 %	5.41 %	0.20 pp	5.56 %	5.34 %	0.22 pp
ROE	14.2 %	24.9 %	-10.7 pp	12.4 %	23.9 %	-11.5 pp
CIR **	33.5 %	34.6 %	-1.1 pp	33.4 %	33.2 %	0.2 pp
CoR *	2.25 %	0.14 %	2.11 pp	2.58 %	0.55 %	2.03 pp

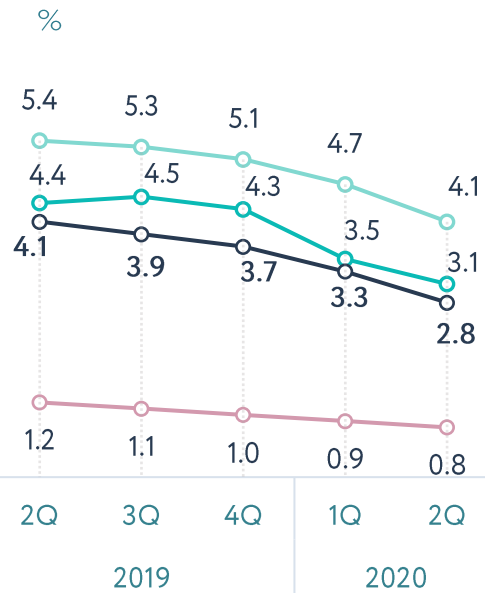
DECREASE IN FUNDING COSTS SUPPORTS NIM

Average loan yields



- Loans to individuals
- Total loans
- Corporate loans

Average customer deposit costs



- Individual term deposits
- Corporate term deposits
- Total customer costs
- Current / settlement accounts

Net interest margin



- Yield on interest earning assets
- Net interest margin
- Cost of funds



**Guidance
2020**

**NIM
Slightly over 5.3%**



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NET FEE AND COMMISSION INCOME AFFECTED BY THE LOCKDOWN

	2Q 2019	2Q 2020	2Q 2020/ 2Q 2019	6M 2019	6M 2020	6M 2020/ 6M 2019
Net operations with bank cards:	41.5	39.0	-6.0%	81.3	80.6	-0.9%
• Net acquiring, commissions of payment systems and other similar commissions	38.9	34.2	-12.1%	73.9	70.3	-4.9%
• Service fees	14.7	16.3	10.9%	28.7	32.5	13.2%
• Expenses on loyalty programs	-11.2	-9.4	-16.1%	-20.2	-20.4	1.0%
• Other (net)	-0.9	-2.1	-	-1.1	-1.8	-
Cash and settlements transactions	51.2	55.6	8.6%	95.6	110.2	15.3%
Client operations with foreign currencies and precious metals	12.6	11.9	-5.6%	23.3	27.8	19.3%
Securities & commodities brokerage, custodial & investment banking (including syndications)	2.1	3.3	57.1%	3.5	6.1	74.3%
Documentary commissions	5.7	5.8	1.8%	9.5	12.3	29.5%
Agent commissions	2.0	2.4	20.0%	3.2	3.8	18.8%
Other	1.6	2.0	25.0%	3.2	5.6	75.0%
Net fee and commission income	116.7	120.0	2.8%	219.6	246.4	12.2%



Guidance 2020

Net F&C income growth

Mid single-digit

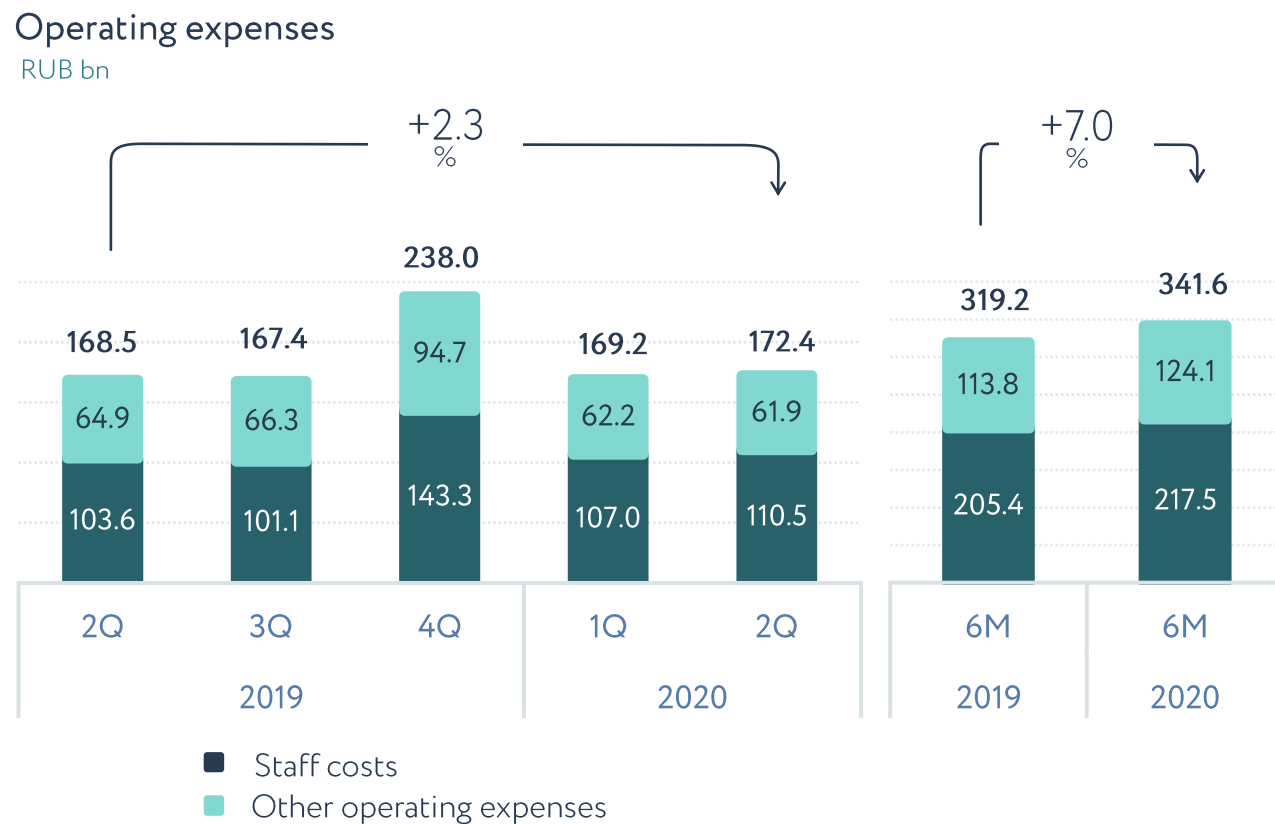


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OPERATING EXPENSES

The pandemic-related efficiency enhancement program facilitated the slowdown of the costs growth



**Guidance
2020**

OPEX Growth
Below 10%



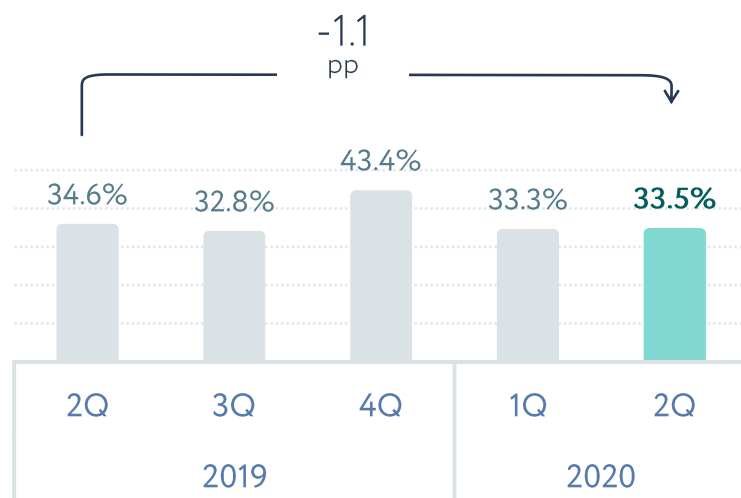
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EFFICIENCY RATIOS

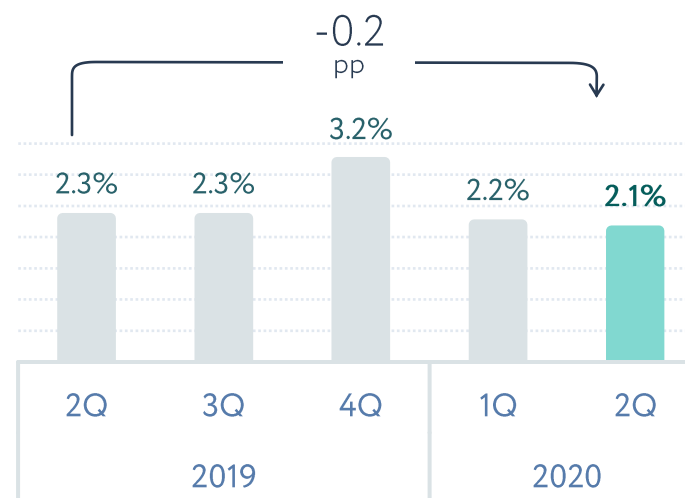
Cost to income ratio (C/I)

%



Cost to assets ratio (C/A)

%



**Guidance
2020**

C/I
slight increase y/y

Operating income before (1) provisions for debt financial assets, (2) credit related commitments and (3) revaluation of loans at fair value due to change in credit quality

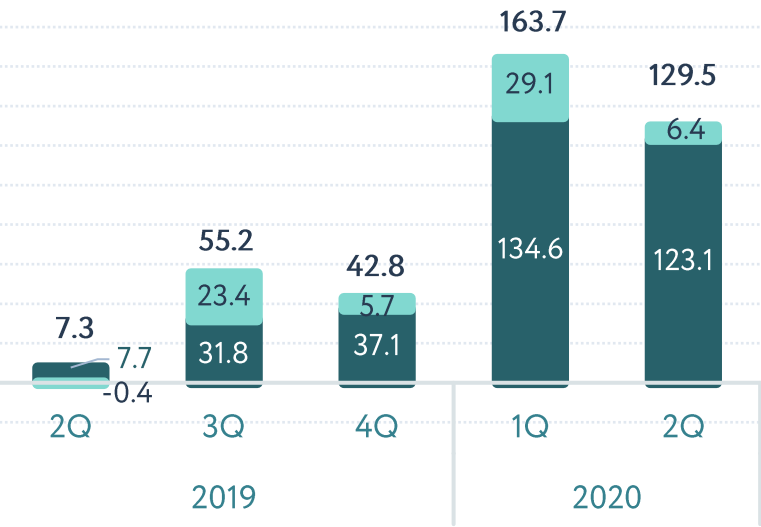


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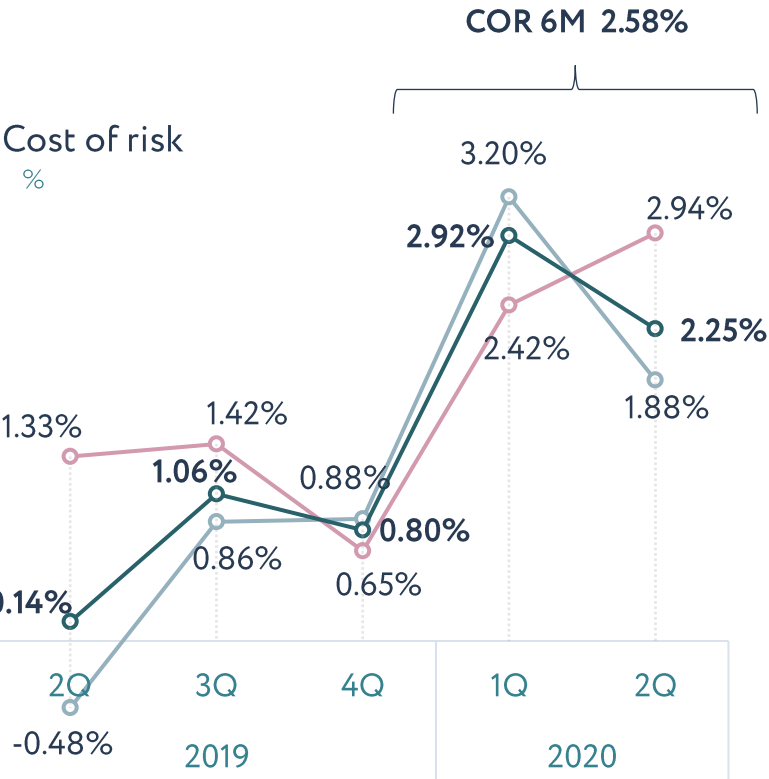
ELEVATED COST OF RISK ON THE BACK OF ECONOMIC DOWNTURN

Net charge related to change in credit quality
RUB bn



- Provision charge for loan impairment
- Negative revaluation of loans at FV due to change in credit quality

Cost of risk
%



- Combined Cost of risk at amortized cost + at fair value
- Corporate Cost of risk at amortized cost + at fair value
- Retail Cost of risk at amortized cost

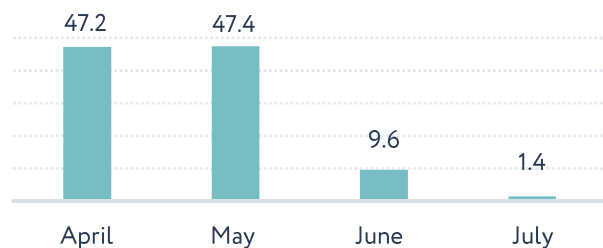
 **Guidance 2020**

COR
230-250 bps

RESTRUCTURINGS

Corporate clients

Monthly average number of applications for restructuring
thds

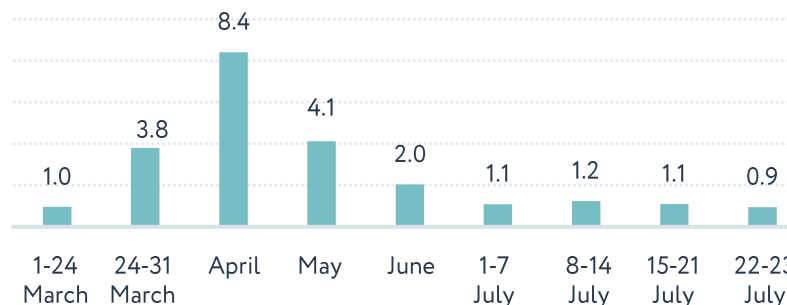


RUB 2.2 trln

total exposure to corporate clients that had restructurings under state programs, Bank's own programs and individual decisions

Retail clients

Daily average number of applications for restructuring*
thds



RUB 166 bn

amount of restructurings approved to retail clients

RUB -27.6 bn

The loss recognized on loan modification, according to the IFRS 9



SBERBANK SUPPORTS ECONOMIC RECOVERY

“Payroll loan at 0%”

“Subsidy program of the Ministry for Economic Development 1/3”

“State support program – lending at 2% (incl. social non-profit organizations)”

“Lending to systemically important enterprises (Ministry for Economic Development`s program)”

“Moscow State Support Program”

“SME subsidy program with the participation of the Corporation for SME development”

>RUB 330_{bn}

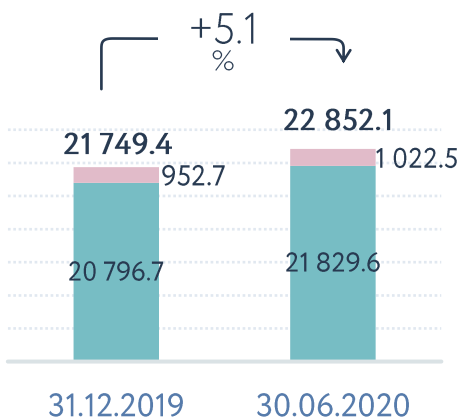
Total amount of financing
provided under support programs



LOAN PORTFOLIO

Loan portfolio before provisions for loan impairment

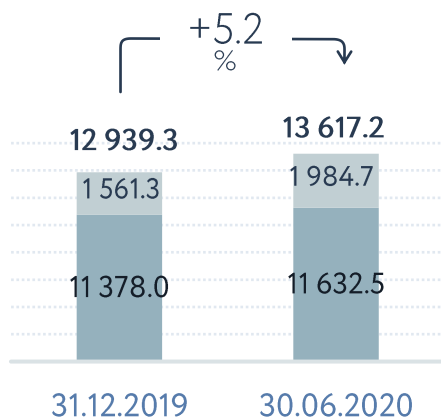
RUB bn



- Loans at amortised cost
- Loans at fair value through P&L

Corporate loan portfolio at amortized cost

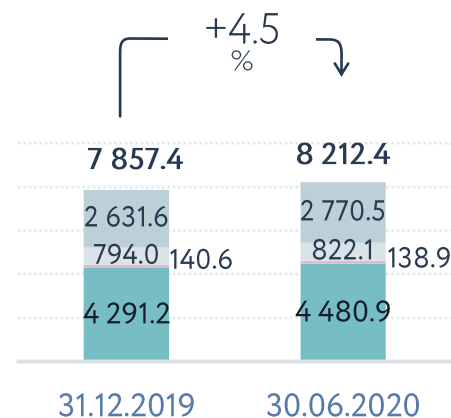
RUB bn



- Commercial loans to legal entities
- Project finance loans to legal entities

Retail loan portfolio at amortized cost

RUB bn

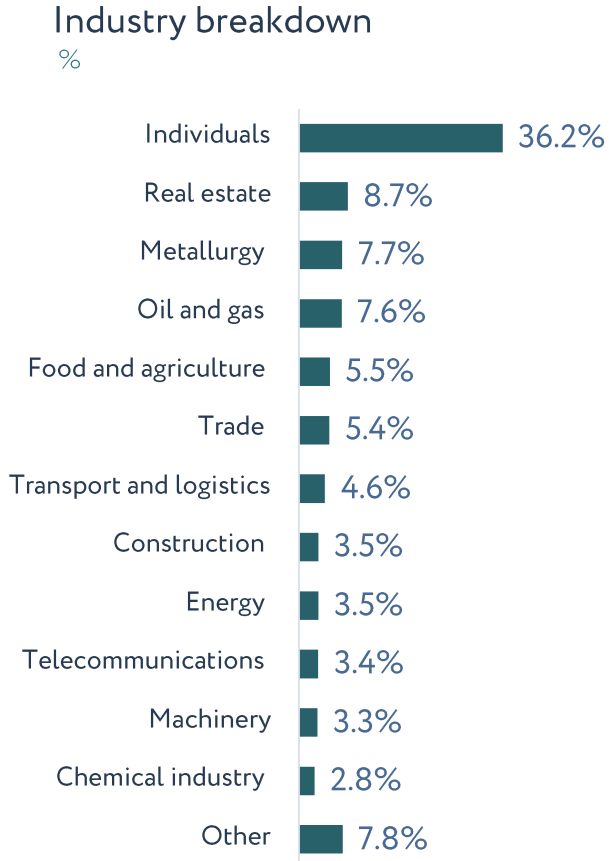
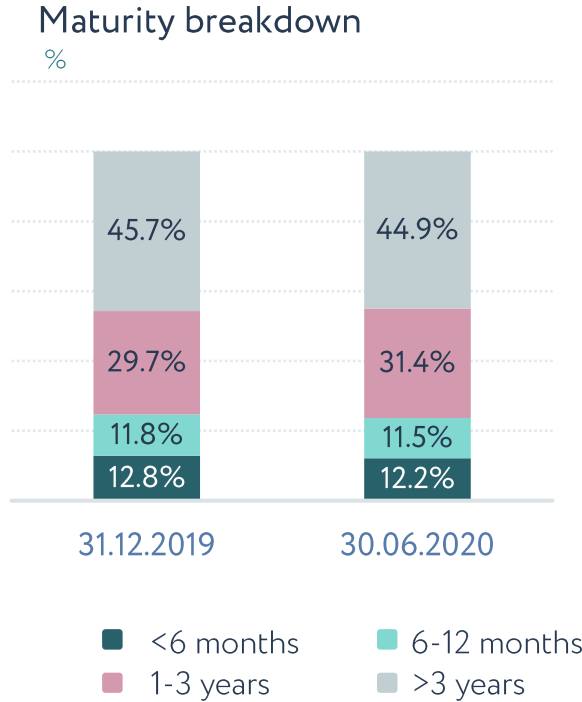
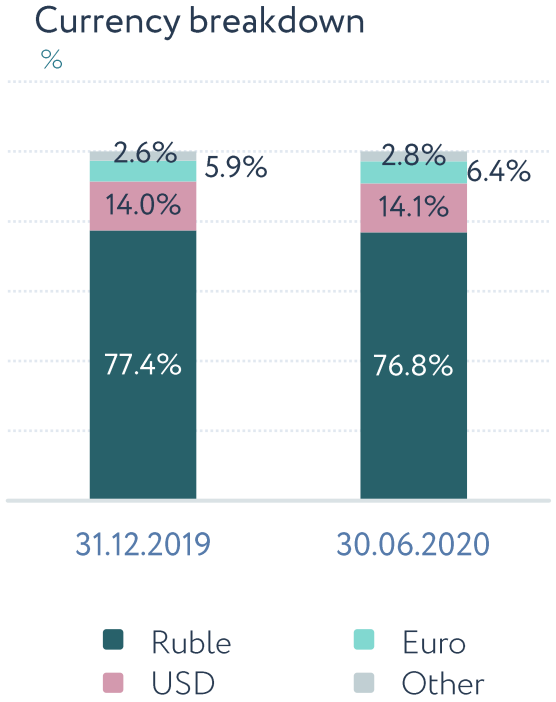


- Mortgage loans
- Car loans
- Credit cards & overdrafts
- Consumer and other loans

Mortgage portfolio grew by 1.9% in 2Q 2020, benefiting from robust demand for both state and bank's own subsidized mortgage programs. The share of subsidized lending accounted for about 30% of mortgage origination by the end of the quarter

Corporate loan portfolio grew by 1.8% adjusted for the impact of FX revaluation and was down by 2.6% in nominal terms due to stronger ruble

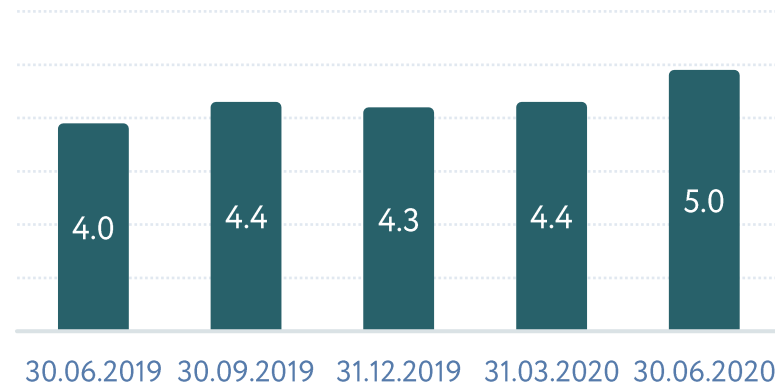
LOAN PORTFOLIO BREAKDOWN



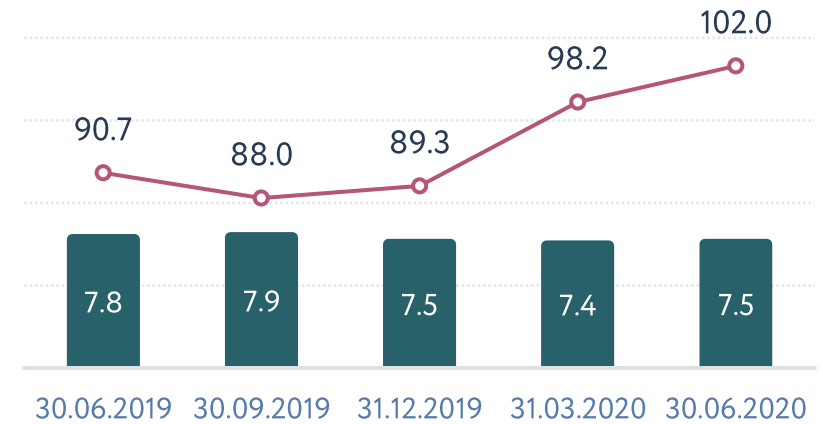
DECENT COVERAGE MAINTAINED ON THE BACK OF SOME DETERIORATION IN ASSET QUALITY

In 2Q 2020, credit quality of the loan portfolio worsened, which is evidenced by the increase in Stage 2 loans mainly driven by corporate borrowers affected by COVID-19 related constraints

Non-performing loans in total loan portfolio
at amortized cost and at fair value, %



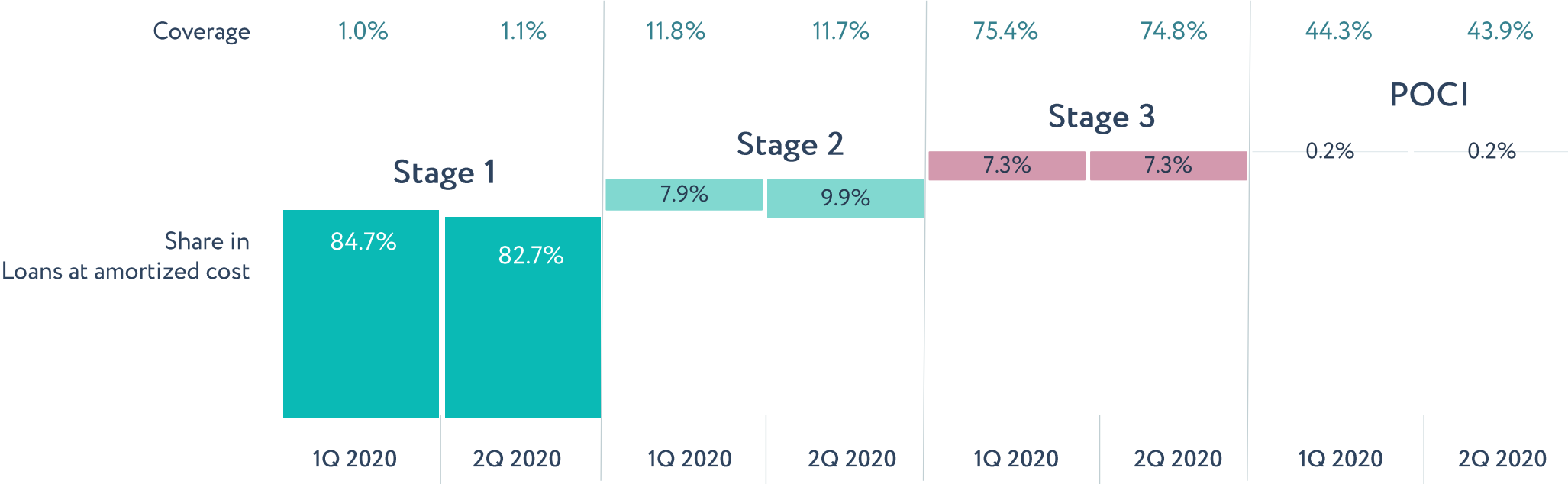
Total provision coverage of Stage 3 and POCI loans
at amortized cost, %



- Share of Stage 3 and POCI loans in Total loans at amortized cost
- Total coverage

THREE-STAGE APPROACH TO MEASURE EXPECTED CREDIT LOSSES

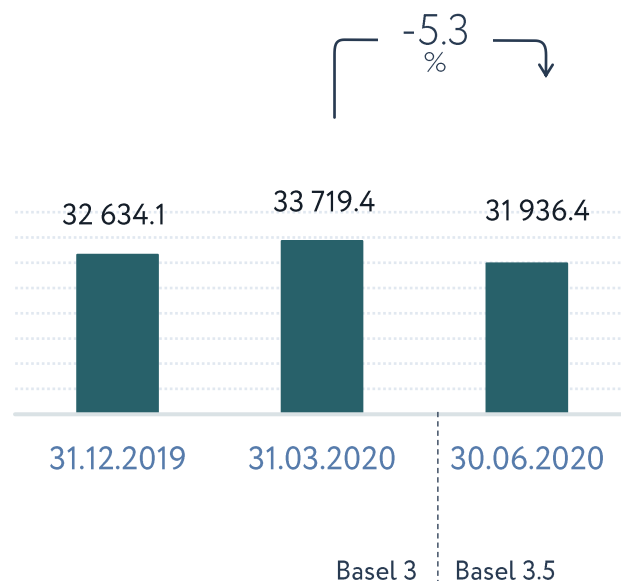
Loans at amortized cost by stages



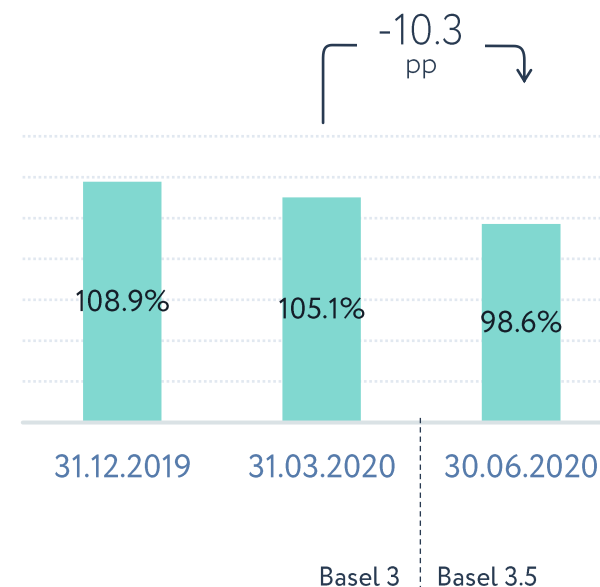
RISK WEIGHTED ASSETS (RWA)

RWA contracted on the back of transition to Basel 3.5 and cancellation of the macro add-on for mortgage issued before 01.04.2020

Total risk weighted assets (RWA)
RUB bn

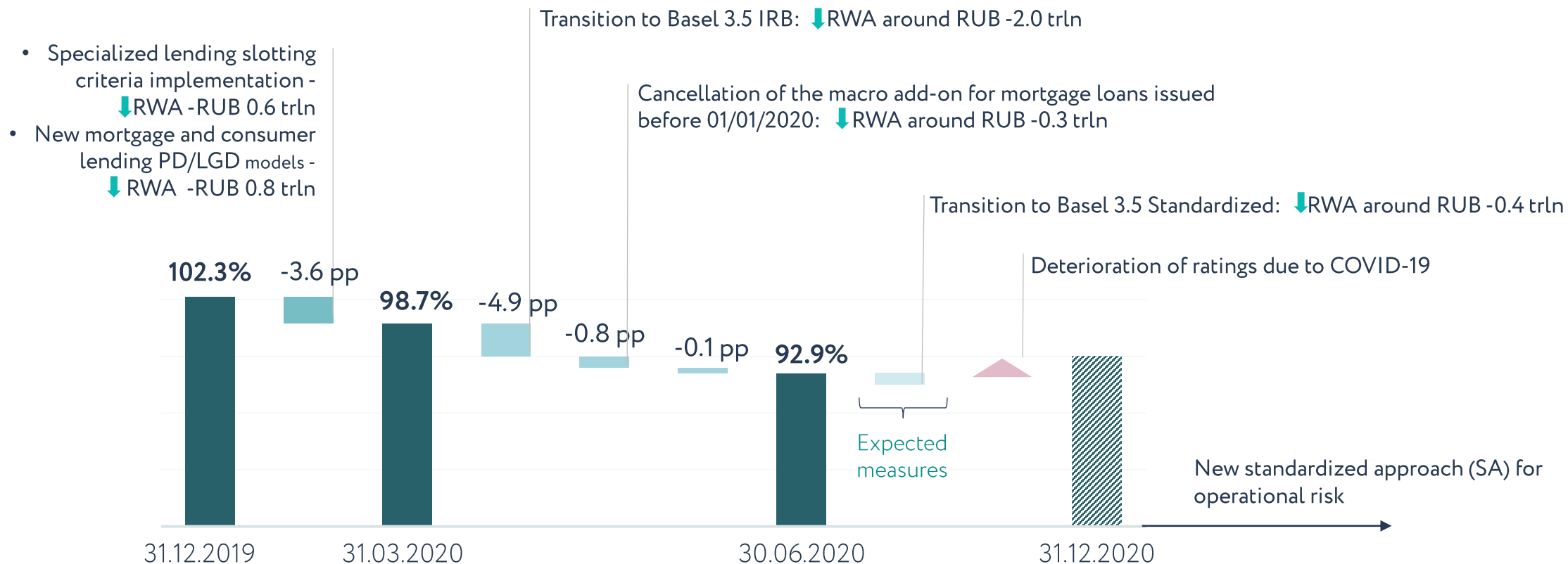


Total risk weighted assets to
total assets
%



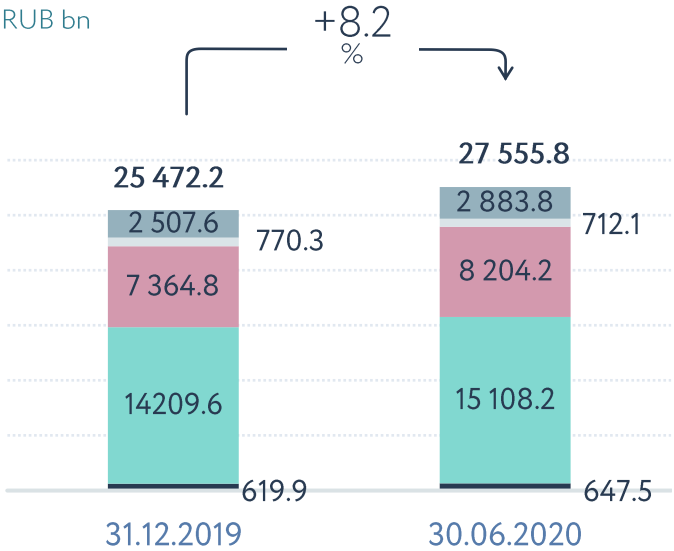
RWA DENSITY DEVELOPMENT IN 2020

RWA density = RWA to Total leverage ratio exposure

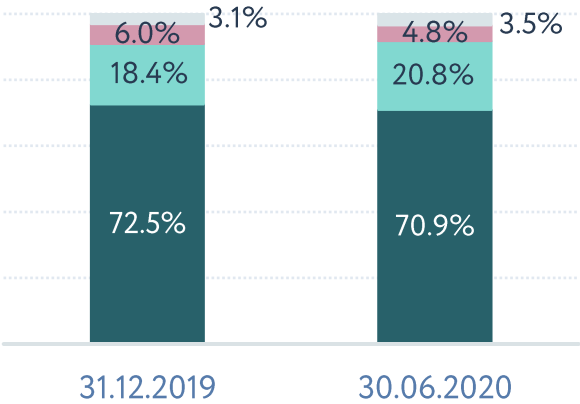


LIABILITIES DYNAMICS AND STRUCTURE

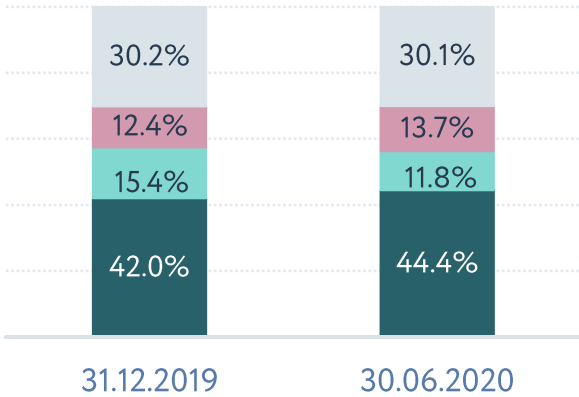
Liabilities
RUB bn



Customer deposits
by currency
%



Customer deposits by maturity
%



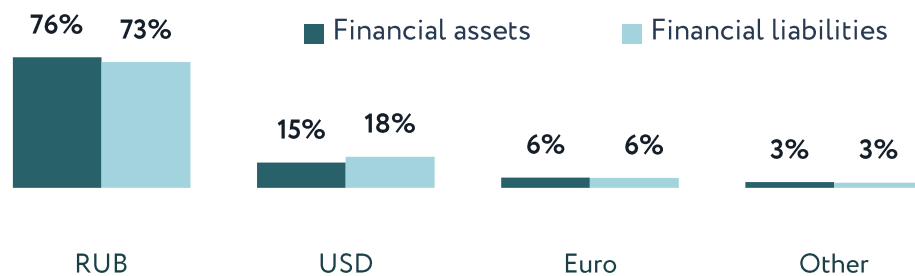
- Subordinated debt
- Due to individuals
- Due to legal entities
- Due to banks
- Other

- RUB
- USD
- EURO
- Other

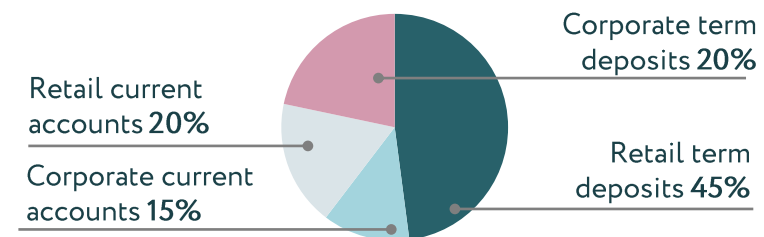
- < 6 months
- 6-12 months
- 1-3 years
- > 3 years

LIQUIDITY AND FX MANAGEMENT

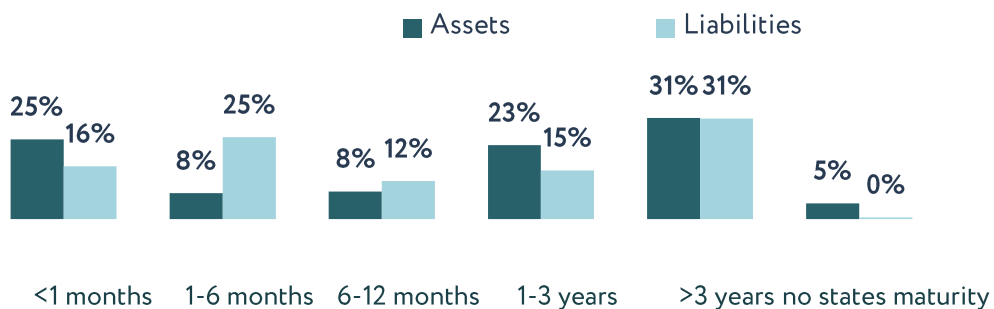
Foreign currency risk exposure



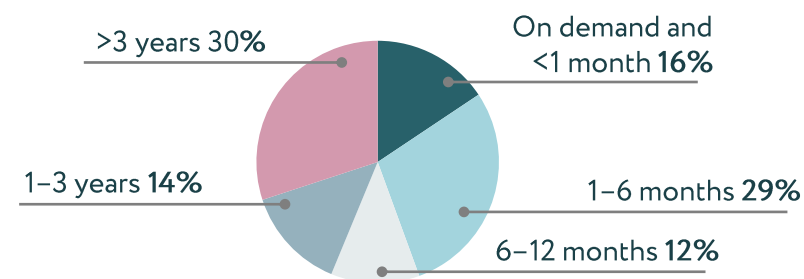
Deposits structure by instrument



Liquidity risk

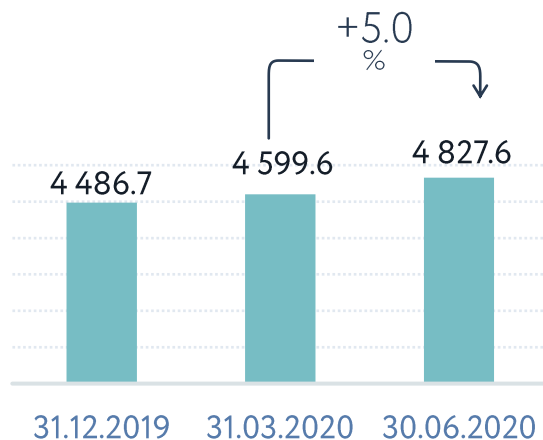


Deposits structure by maturity

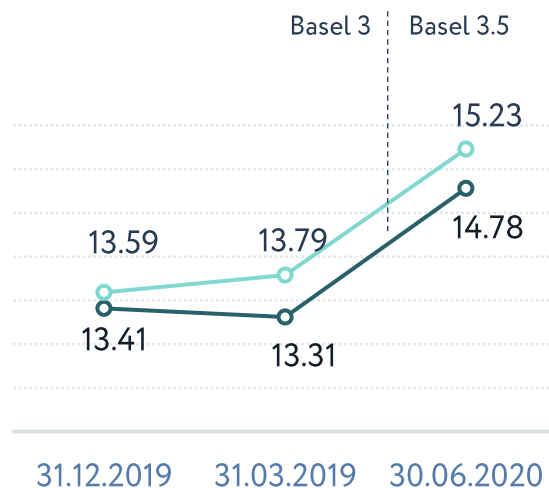


CAPITAL ADEQUACY

Total equity
RUB bn

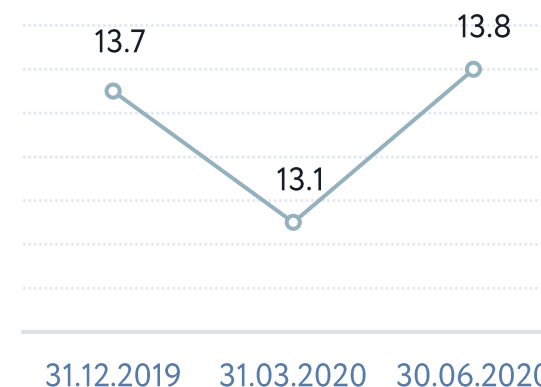


Capital adequacy ratio
%



- Total capital adequacy ratio
- CET 1 = Tier 1 capital adequacy ratio

Leverage ratio
%



CET 1 CAR
under Basel 3.5 for the Group

13.0-13.5%

SECTOR FORECASTS



Nominal
growth
dynamics
2020

as of December 2019	Corporate loans	Retail loans	Corporate deposits	Retail deposits
Sector Russia	6–8%	12–14%	8–10%	5–7%
Sberbank	Slightly better than the sector	In line with the sector	In line with the sector	In line with the sector
as of July 2020				
Sector Russia	6–8%	6–8%	8–10%	8–10%
Sberbank	In line with the sector	Slightly better than the sector	In line with the sector	In line with the sector



SBERBANK GUIDANCE 2020

		2020 As of December 2019	2020 As of July 2020
EFFICIENCY	Cost to income Ratio (CIR) OPEX growth	Slight increase y/y Over 10%	Slight increase y/y Below 10%
PROFITABILITY	NIM	5.1-5.3%	Slightly over 5.3%
	Net Fees & Commissions Growth	10%+	Mid single-digit
	Revenue from non-financial digital companies attributable to Sberbank	RUB 70+ bn	RUB 70+ bn
	Cost of Risk	100-110 bps	230-250 bps
	ROE	Over 20%	Low teens
CAPITAL	CET 1 CAR under Basel 3.5 for the Group	~14%	13.0-13.5%



IR CONTACT DETAILS

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Extel 2019: Best IR in Russia

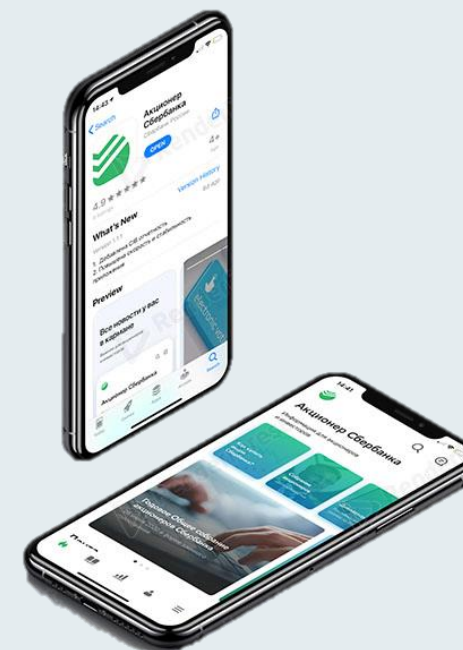


IR Magazine: Top 5 European Financials



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