Digitalization as a Foundation for Innovation, Healthcare and Finance

Sberbank

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New York
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IF DROPS FILL THE STADIUM EXPONENTIALY...

... in 42 minutes
the first half of the stadium is being filled

... in 6 minutes
the second half of the stadium is being filled
TODAY WE ENTER INDUSTRIAL REVOLUTION 4.0

Technology advancement

Industrial revolution 1.0

Industrial revolution 2.0

Industrial revolution 3.0

Industrial revolution 4.0

Exponential growth

Linear growth

Today

2018

2030

The 1st largest

60%

The 2nd largest

30%

Others

10%

Source: Management in Singularity: From linear to exponential management, Tjeu Blommaert, Stephan Van den Broek, 2017
**ESTABLISHED IN 1841, SBERBANK – THE “PEOPLE’S” BANK – IS RUSSIA’S OLDEST AND LARGEST**

- **151 m** clients worldwide
- **90 m** active retail clients in Russia
- **2.4 m** active corporate clients in Russia
- **14.2 k** branches in Russia
- **40 m** users of the mobile app “Sberbank Online”
- **62.4 m** active retail clients across all digital channels
- **77 k** ATMs and self-service terminals
- **296 k** employees

**SBERBANK MARKET SHARE IN RUSSIA**

<table>
<thead>
<tr>
<th>Service</th>
<th>Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>30.1%</td>
</tr>
<tr>
<td>Retail deposits</td>
<td>44.6%</td>
</tr>
<tr>
<td>Retail loans</td>
<td>41.4%</td>
</tr>
<tr>
<td>Corporate loans</td>
<td>32.8%</td>
</tr>
<tr>
<td>Payroll clients</td>
<td>56.6%</td>
</tr>
<tr>
<td>Credit card balance</td>
<td>45.3%</td>
</tr>
<tr>
<td>Mortgages</td>
<td>55.9%</td>
</tr>
</tbody>
</table>

**SHAREHOLDER STRUCTURE (AS OF 14.05.2018)**

- Central Bank of Russia **50.0% +**
- Foreign Institutional **45.64%**
- Domestic Institutional **1.52%**
- Domestic Retail **2.84%**

*Sberbank standalone under RAS, non-consolidated, as of 30.09.2017*
TRANSFORMATION OF SBERBANK: FROM “SBERKASSA” TO ECOSYSTEM

2018+

Develop a new business model – the ecosystem

Artificial intelligence, data-driven solutions, innovation labs

New financial and non-financial services, investments in digital economy

Startup culture, idea acceleration, R&D and open innovations

SHARE OF RETAIL PRODUCT SALES DIGITALLY, %

ONLINE IS THE MAIN CHANNEL

40 m users of the mobile app “Sberbank Online”
2.4 m active corporate clients
1.7 m active users of Sberbank Business Online digital platform
71% digital penetration of Sberbank corporate clients

TARGETS 2020

Share of digital sales

Retail: 21% 2Q 2018 > 45% 2020

DAU/MAU

Retail: 29% YE2017 > 50% 2020

Corporate: 48% YE2017 > 80% 2020

Source: Management accounts
SBERBANK ECOSYSTEM – FOCUS ON GROWING NON-BANKING DIGITAL SYSTEMS

Criteria for Investments
✓ Orchestrate economic activity
✓ Growing industries with high potential
✓ Long-term ROE accretive
✓ Focused investments: 8-10 industries
✓ Synergies with Sberbank
✓ IPO (unicorn) potential within 5 years

Current directions

TOP player
Industries
Year horizon
3 x 4 x 5
15 cities in Russia

2800+ clinics

40000+ doctors

Share of commercial market

70% in Moscow

40% in Saint-Petersburg

No 1 health care marketplace in Russia

Retail

Corporate

Wealth Management

Other financial institutions

Retail market

Corporate market
SBERBANK ACTIVELY IMPLEMENTS NEW TECHNOLOGIES

- Drone delivery successfully tested
- Launch of a chatbot as a replacement for back-office staff
- Communication with a client aligned with his sociotype
- Development of a messenger prototype
- Ability to identify fraudsters with the use of image analysis
- Establishment of a cashless city

~100 work initiatives + laboratories
CYBERSECURITY IS THE SBERBANK’S TOP PRIORITY

**ACHIEVEMENTS**

**Infrastructure protection**
0 min downtime of Bank services from cyber attacks

**Countering cyber-fraud**
0 RUB Bank account theft

**Customer protection**
> 20 bn RUB customer funds saved since the beginning of 2018
97% efficiency of anti-fraud system

**Methodology and culture**
First in Russia banking SOC, certified by BSI in compliance with ISO 27001:2013

**Interaction with partners**
3,67 the maturity level of cyber security of the Bank

**THROUGH**

24/7 Security Operation Center

Anti-fraud 360

BI.ZONE

Global Cyber Center
Sberbank-founding partner of The World Economic Forum (WEF)
SBERBANK ACHIEVEMENTS - 2018

- Most transparent company in Russia
  Transparency International
- The strongest and most valued brand in Russia
  Brand Finance
- The best investment bank in Russia
  Global Finance
- #1 in the rating of credit institutions for financial accessibility for disabled clients
  “NAFI” Research Centre
- The best infrastructure project - Best of Business Partners
  “Regional Development. The best for Russia”
- The best customer experience - Best of Business Partners
  CX AWARDS-2018
- The best social project - Best of Business Partners
  Social Projects Ltd.
- Sberbank Private Banking - #1 in the nomination «Russian private»
  “Banking Review”
- Best Company Award’ 2018
  Changellenge
- Sberbank-Google Marketing Effectiveness Tutorial
  Effie Awards
- Sberbank CIB – the highest positions due to 8 rating categories
  Extel Survey 2018
- Grand Prize of the Best Office Awards
  OfficeNEXT
- The lowest level of Mastercard-related fraud in Russia
  Mastercard
  Institutional Investor
- The best Private Banking
  Frank Research Group
- The third place for the “Everest” program and “SOC” project
  IPMA Global Project Excellence Awards 2018
TECH LEADER WITH A WIDE RANGE OF PARTNERSHIPS

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ALWAYS BY YOUR SIDE