Results of the implementation of Sberbank’s Development Strategy for 2014–2018

The implementation of the Strategy for 2014–2018, which was approved by the Supervisory Board in 2013, was successfully completed in 2017, with the established goals achieved. During the years of implementing the Strategy, we retained our status as a stable, reliable bank for the people of our country, significantly developed our customer service infrastructure, and also put together a modern, highly professional team of specialists with the skills to manage business in challenging economic conditions.

Results of the implementation of the Strategy for 2014–2018

With the client for life

<table>
<thead>
<tr>
<th>What we achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer base increased in every segment</td>
</tr>
<tr>
<td>Customer satisfaction increased in every segment</td>
</tr>
</tbody>
</table>

Retail business

- For private clients new products and services were offered (payment services, means of payment, loan products, etc.) and services were expanded through remote and digital channels

Corporate business

- For corporate clients, new transaction and non-banking services were made available, and the speed and accessibility of transaction operations were increased

Team and culture

<table>
<thead>
<tr>
<th>What we achieved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Start of the transformation of the HR function: development of a new model of competencies, start of implementation of the SAP Success Factors cloud system, start of use of a predictive model for personnel outflow, relaunch of work with post-secondary institutions</td>
</tr>
<tr>
<td>Improvement of corporate culture at all levels of the organization: diagnostics and coaching sessions for teams of top managers, creation of a system of continuous diagnostics of corporate culture and employee engagement, launching empathy and emotional intelligence training programs</td>
</tr>
<tr>
<td>Creation of a modern training system based on the Corporate University, modernization of the remuneration and performance management system</td>
</tr>
</tbody>
</table>
Our results

Retail business
- + 7.6 million new clients since 2015
- + 3 percentage points – increase in the Net Promoter Score (NPS) since 2015
- + 52% increase in the number of products per client from December 2013 through December 2017
- 56.8 million unique active clients of remote service channels (internet-bank and text message service)
- 60% share of non-cash retail transactions
- 82% share of non-cash payments

Corporate business
- + 430 thousand increase in the client base in 2015-2017
- + 7 points growth in the Index of customer satisfaction and loyalty for corporate clients (TRIM-index) since 2013
- 99.6% of transactions are executed in remote service channels
- + 5 percentage points growth of the market share in electronic transactions since 2014 (to 32.3%)
- 784 thousand legal entities – Daily Active Users (DAU) in digital channels
- 585 thousand clients – users of non-banking services

Our results
- + 15 percentage points growth in employee engagement (to 76%)
- - 13 percentage points reduction in staff turnover
- + 42 percentage points increase in satisfaction with HR services
- + 7.1 percentage points growth in the Employee Net Promoter Score (ENPS)
- 70% of staff administration processes have been centralized and digitized
Results of the implementation of the Strategy for 2014–2018

Technological breakthrough

What we achieved

• Creation of the foundation of a technological platform: completion of the technological components of the core, creation of development tools for business services and start of the migration of the first banking business products to the new platform
• Creation of systems of working with data and analytics: foundations of the infrastructure for cloud-based data storage and processing, launching of the Technology and Data Academy in the Corporate University, start of the implementation of artificial intelligence technologies
• Increased failure tolerance of IT systems
• High level of cybersecurity of the business is ensured, despite the overall growth in the number of cybercrimes in the sector
• Simplified and unified the Bank’s IT landscape, completed construction of the new Skolkovo data processing center

Financial performance

What we achieved

• Stable high income and operating efficiency
• High indicators of profitability and shareholder return
• Substantial increase in enterprise value – Sberbank has become the most valuable public Russian company
• Optimized expenses on support services

Mature organization

What we achieved

• Launch of the Agile transformation
• Optimized structure of regional head offices, implementation of new operating formats for branches and a smart management system, synchronization of goals and work of teams from various regions
• Testing of “turquoise organization” practices in three regional head offices and more than 100 pilot branches
• An intelligent control system (ISU) has been introduced, with the help of which the goals and work of teams of different territories are synchronized
**Our results**

- 700 non-essential automated systems taken out of use
- reduction of downtime in automated systems by a factor of 20
- 99.99% level of reliability of critical automated system in 24/7 regime
- the number of big-data initiatives grew by a factor of 57 (from 10 in 2016 to 575 in 2017)
- No. 1 – the Bank’s position in the rating of the largest software developers according to CNEWS

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**Our results**

- RUB 748.7 billion net profits, 2.1 times greater than in 2013
- 24% Return on Equity in 2017
- 35% Cost-to-Income ratio in 2017
- 11.4% Tier 1 capital adequacy (Basel 3)

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**Our results**

- 11 thousand employees participate in the Agile transformation
- number of regional head offices reduced to 14
- the number of operational errors decreased by 7 times