

# IFRS Earnings presentation

3Q 2021

October 28, 2021



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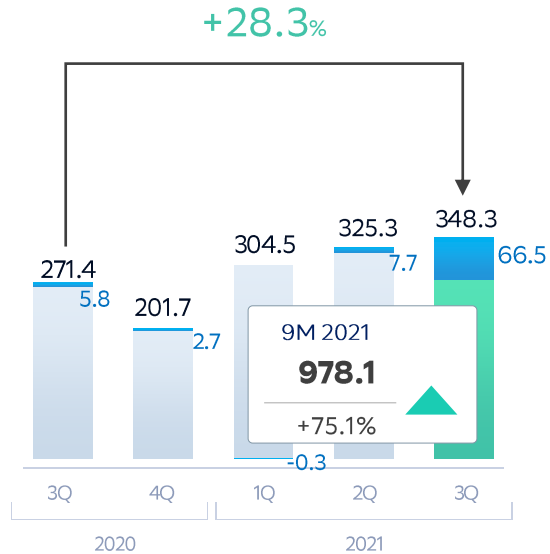
# Key highlights

3Q 2021

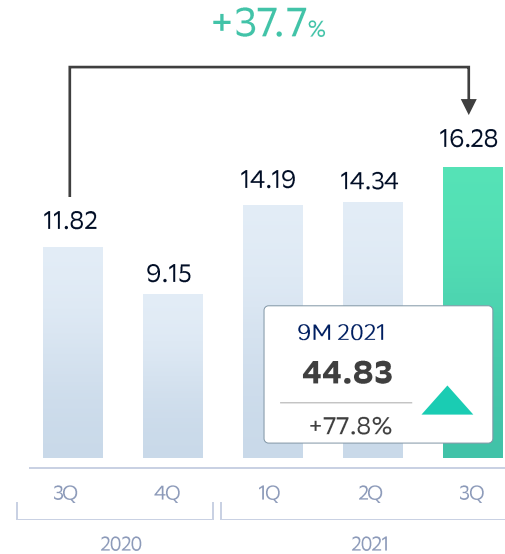


# Sber earned a record net profit of RUB 978.1 bn for 9M 2021 (+75% y/y)

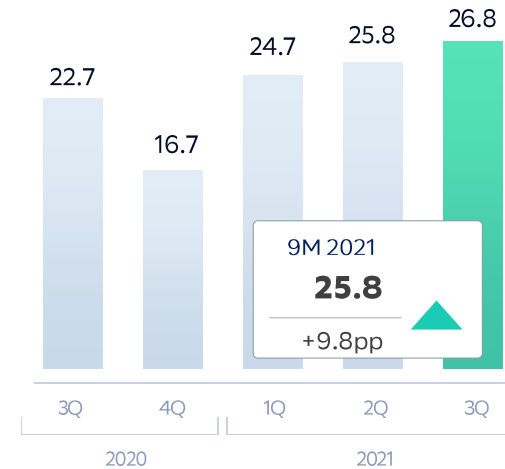
Net Profit,  
RUB BN



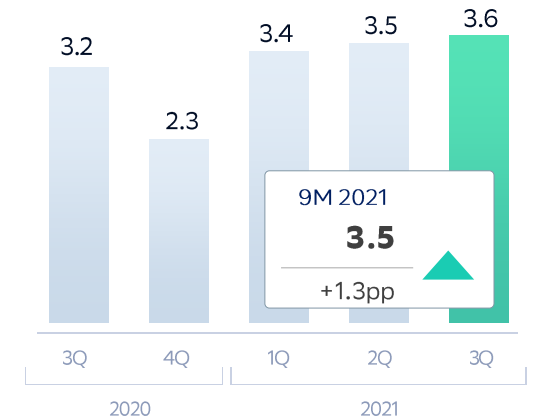
Earnings per  
ordinary share (EPS), RUB



Return on Equity  
(ROE), %

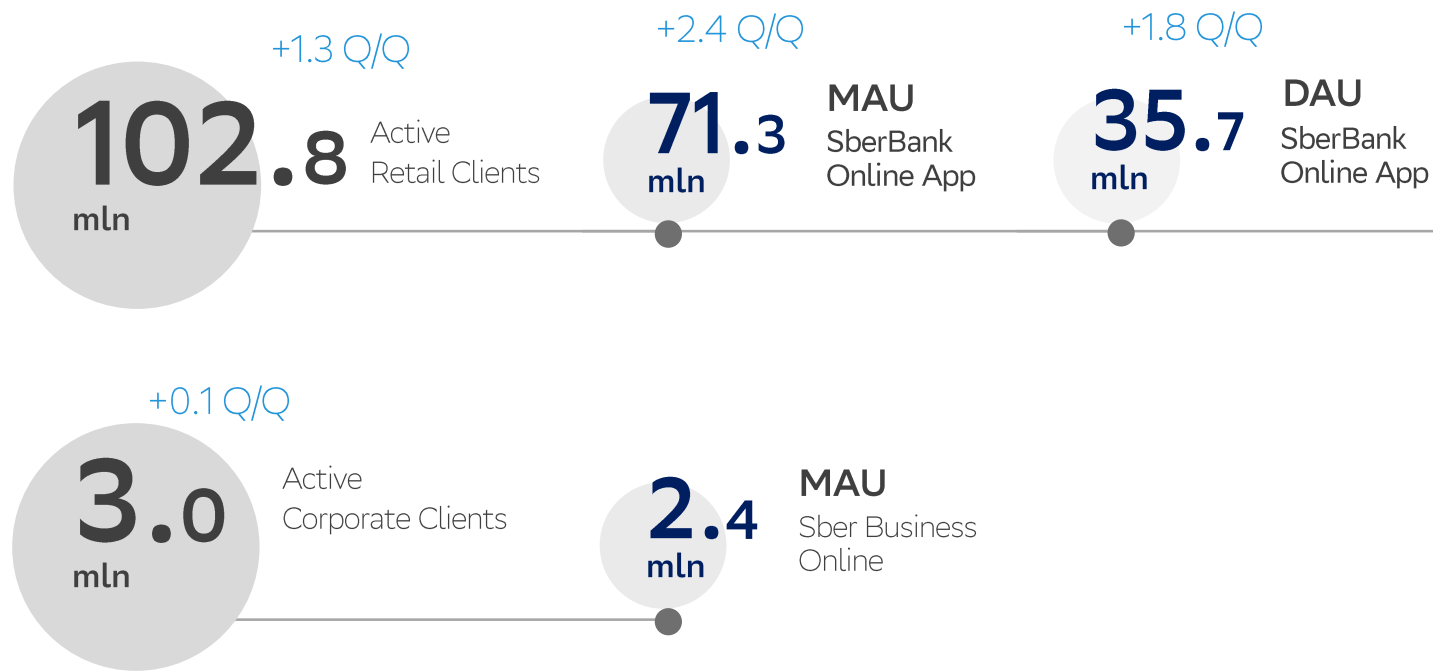


Return on Assets  
(ROA), %



■ – Profit from discontinued operations

# 3Q 2021: Sber continues to increase both number of clients and engagement



## Ökko

**4.5 mln**

Users with subscription access to OKKO video streaming service

including



**3.3 mln**

SberPrime subscribers

including



**3.7 mln**

Users with subscription access to SberZvuk audio streaming service



+3.4 Q/Q

**53.5 mln**

Sber Spasibo loyalty program users



+3.8 Q/Q

**26.8 mln**

Sber ID users

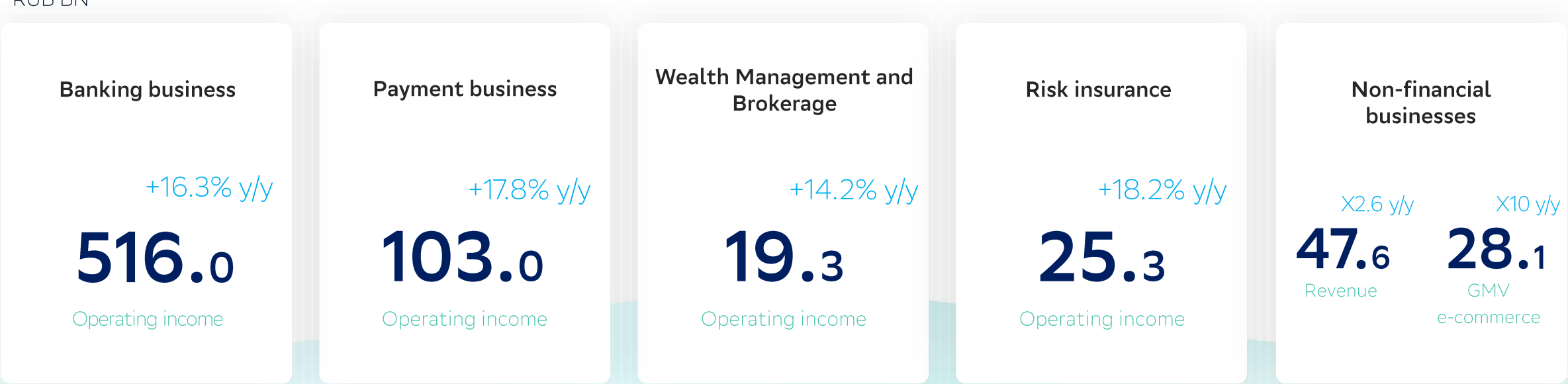
+17 Q/Q

**135**

Services with Sber ID

# Key growth drivers in 3Q 2021

RUB BN



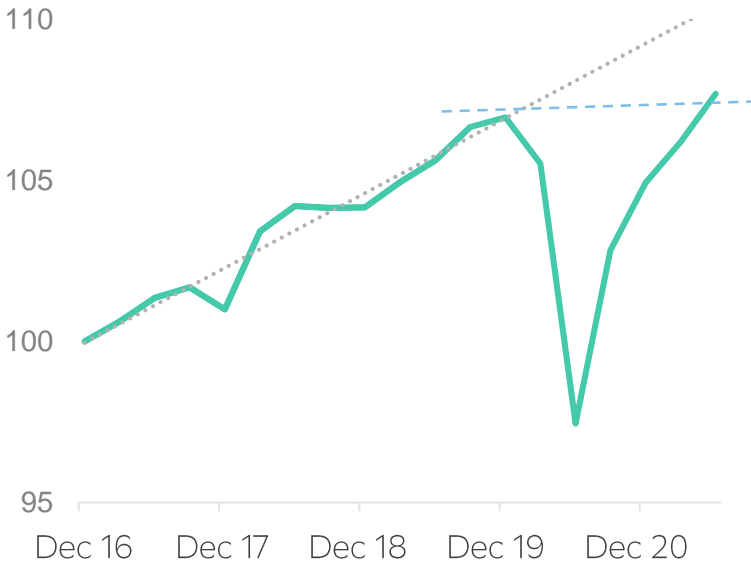


# Overview of Macroeconomics

3Q 2021

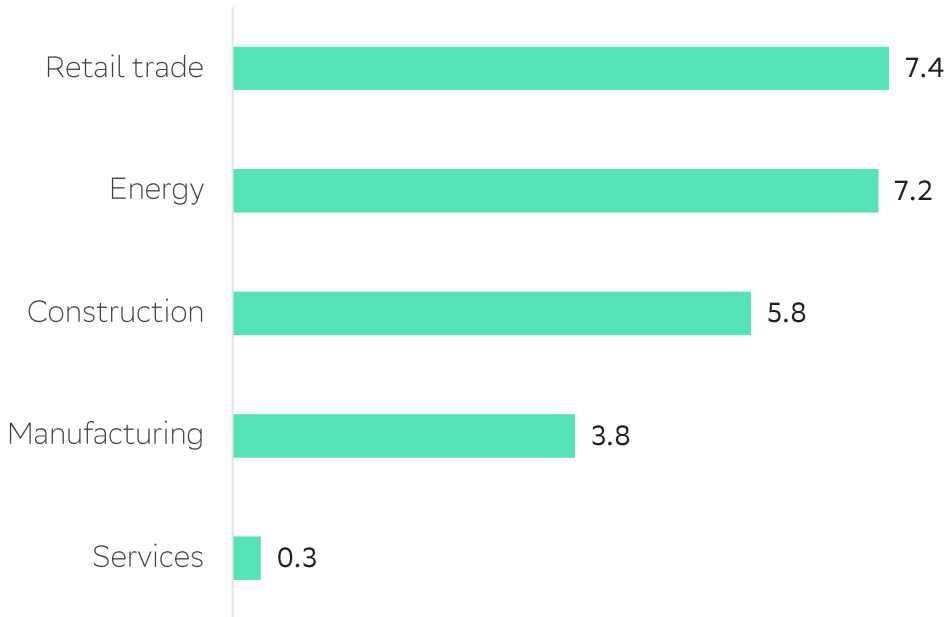
# GDP is already above pre-crisis level

Russia GDP, 4Q 2016 = 100

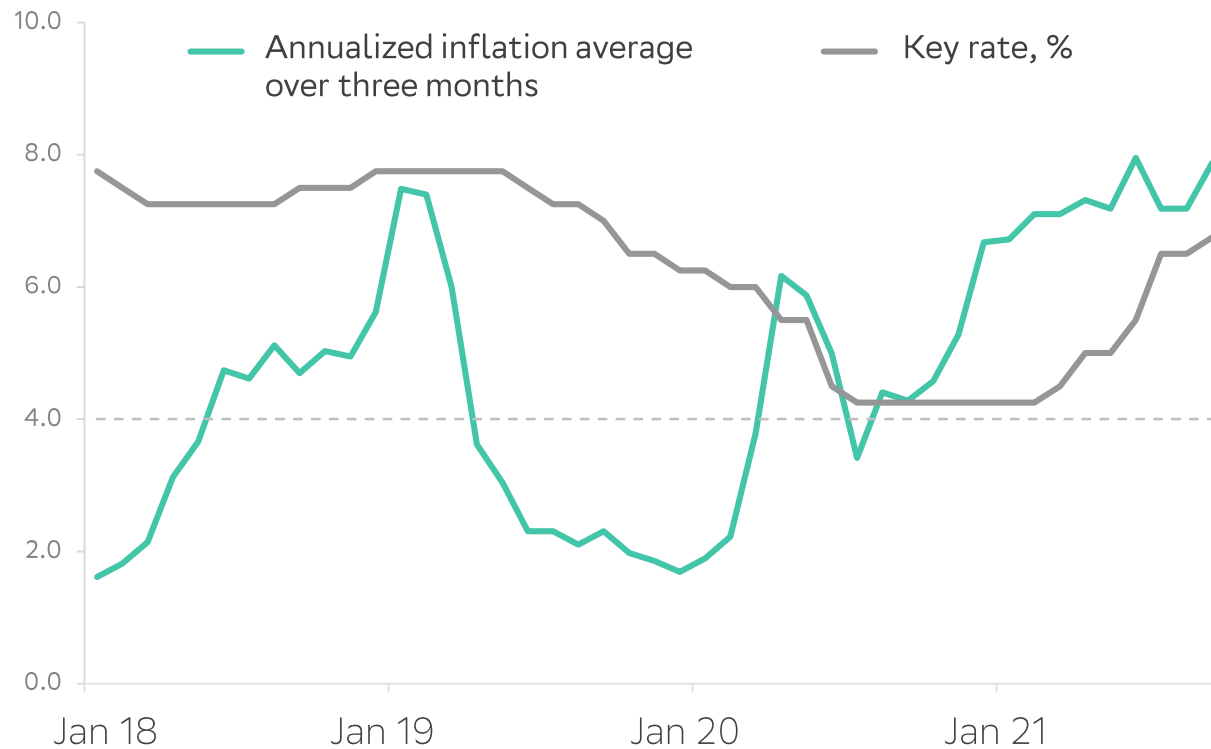


## Most industries have exceeded pre-crisis levels

August 2021 vs August 2019, %



# Inflationary risks persist



- If inflation consolidates at a high level, tightening of monetary policy will be required
- Inflation expectations are now 4% by the end of 2023

# Labor market recovery

## Unemployment...

Unemployment rate, % SA



Employers' demand for workers adjusted for seasonality grows by ~ 2% per month

## ...and salaries returned to pre-crisis levels

Real wages, Jan 20 = 100, SA



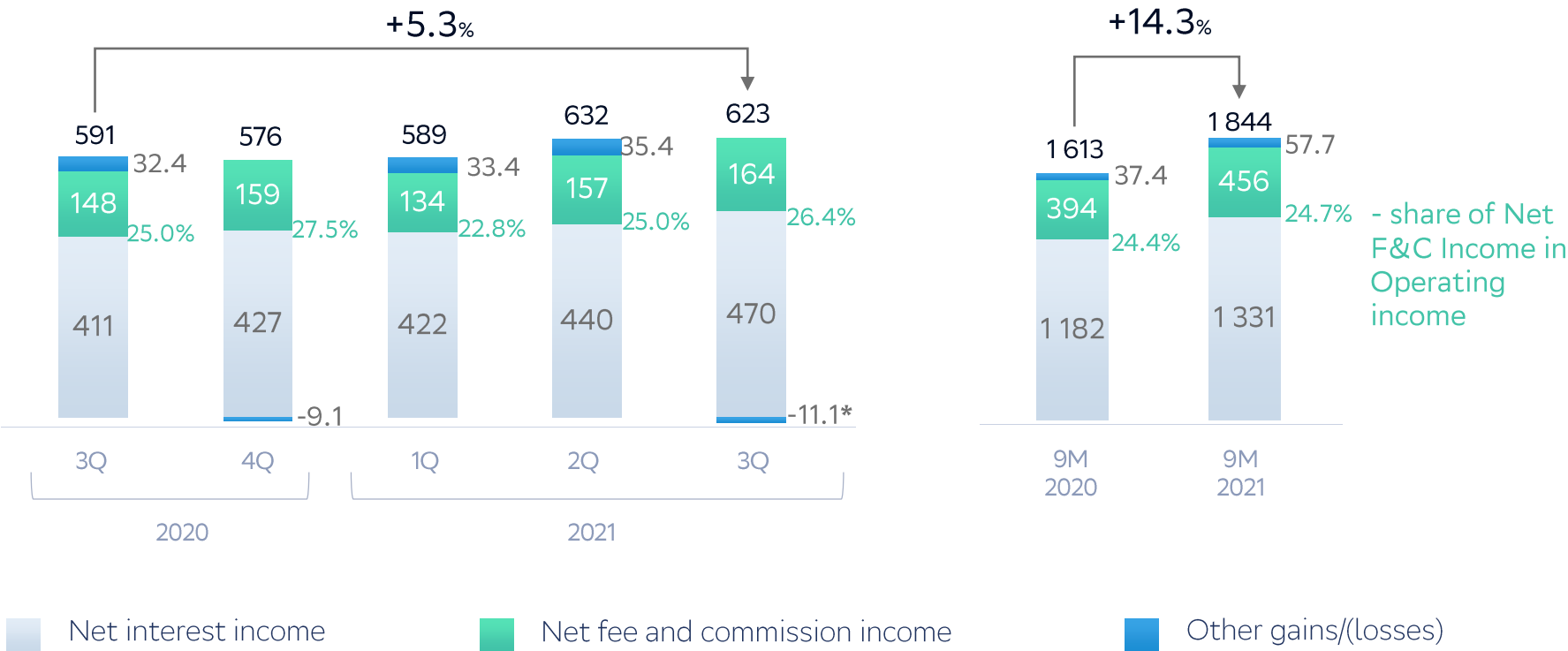


# Group results by business segments

3Q 2021

# Operating income increased by 14.3% for 9M 2021

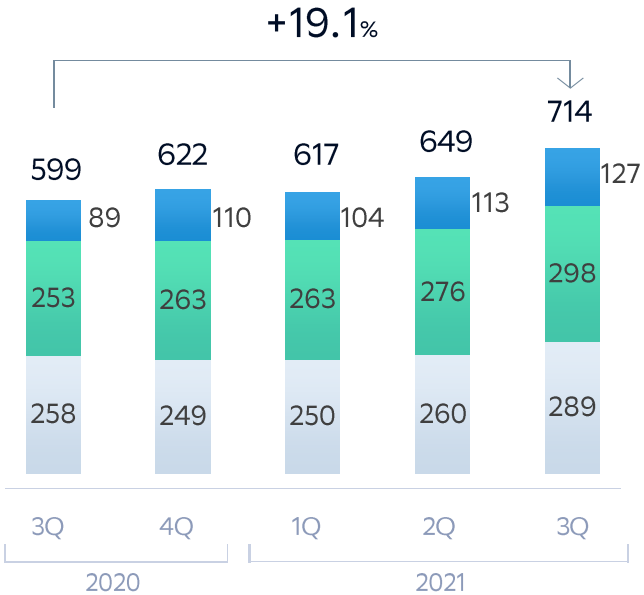
Operating income before (1) credit loss allowance charge for debt financial assets, (2) revaluation of loans at fair value due to change in credit quality and (3) provisions for credit related commitments, RUB BN



\*Other operating income. In 3Q 2021, the Group classified assets of the subsidiary bank in Ukraine as restricted assets. The reason for such classification was the regulatory restrictions that do not allow the Group to manage fully the mentioned assets. The Group recorded provisions in relation to these assets in the amount of RUB33.3 bn in 3Q 2021

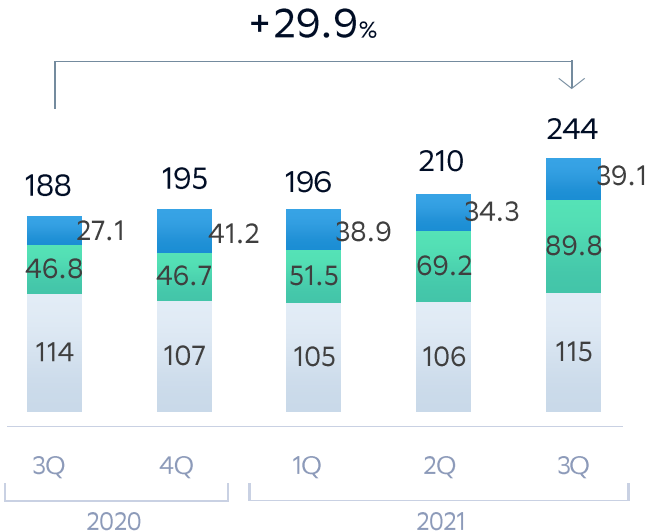
# Net interest income grew by 14.2% supported by the strong business volumes

Interest income, RUB BN



- Corporate loans
- Loans to individuals
- Other

Interest expense, INCLUDING DEPOSIT INSURANCE EXPENSES, RUB BN



- Individual deposits
- Corporate accounts
- Other

Net interest income, RUB BN

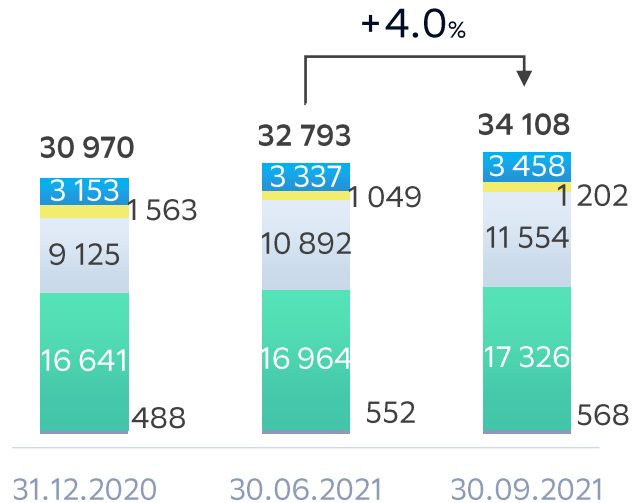


# Retail lending remains the main driver of portfolio growth



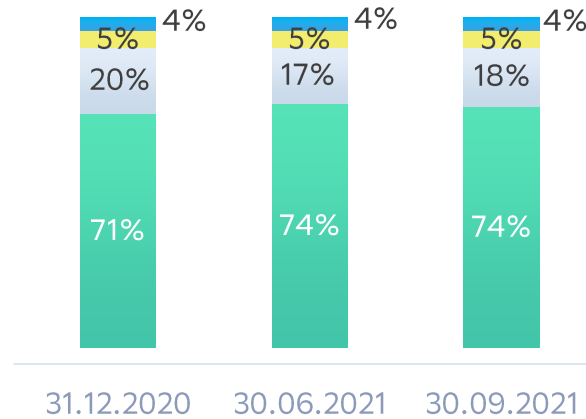
# Share of retail current accounts came at 42.8% of total retail funds

Liabilities, RUB BN



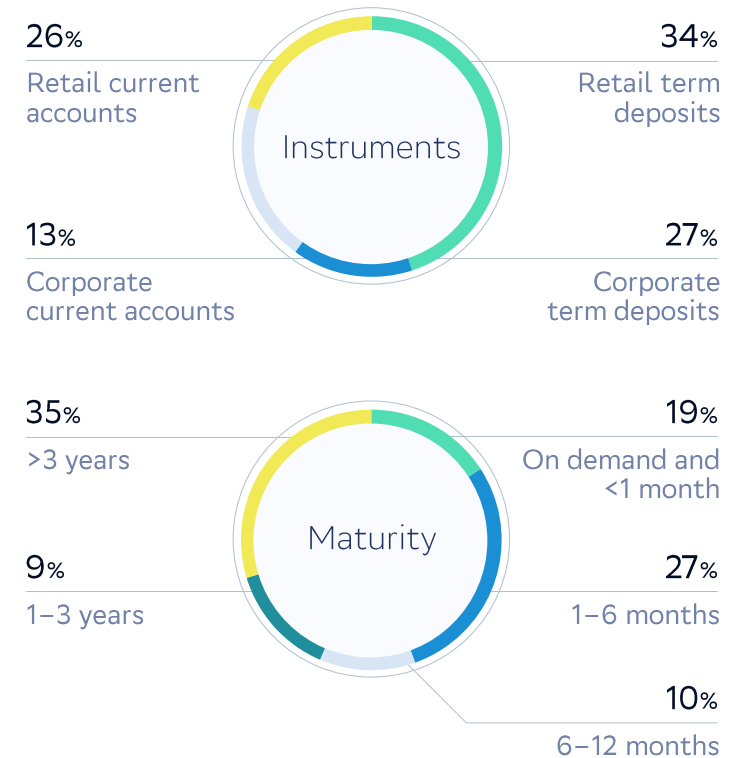
- Subordinated debt
- Due to individuals
- Due to legal entities
- Due to banks
- Other

Customer deposits by currency, %



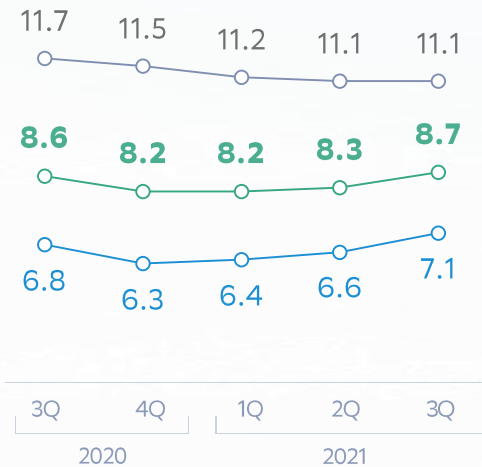
- RUB
- USD
- EURO
- Other

Deposits Structure



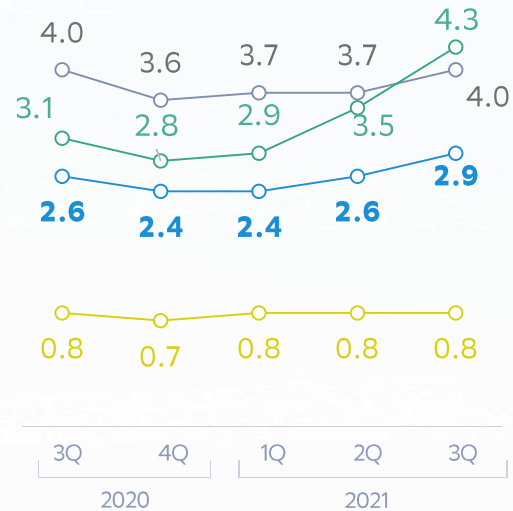
# Loan yields and funding costs followed the market rates in 3Q 2021

Average loan yields, %



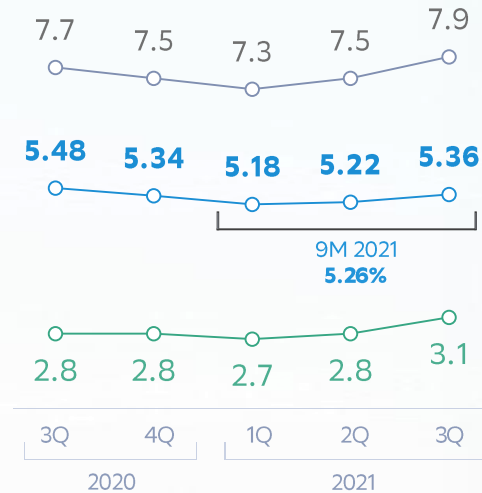
- Loans to individuals
- Total loans
- Corporate loans

Average 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  
2021

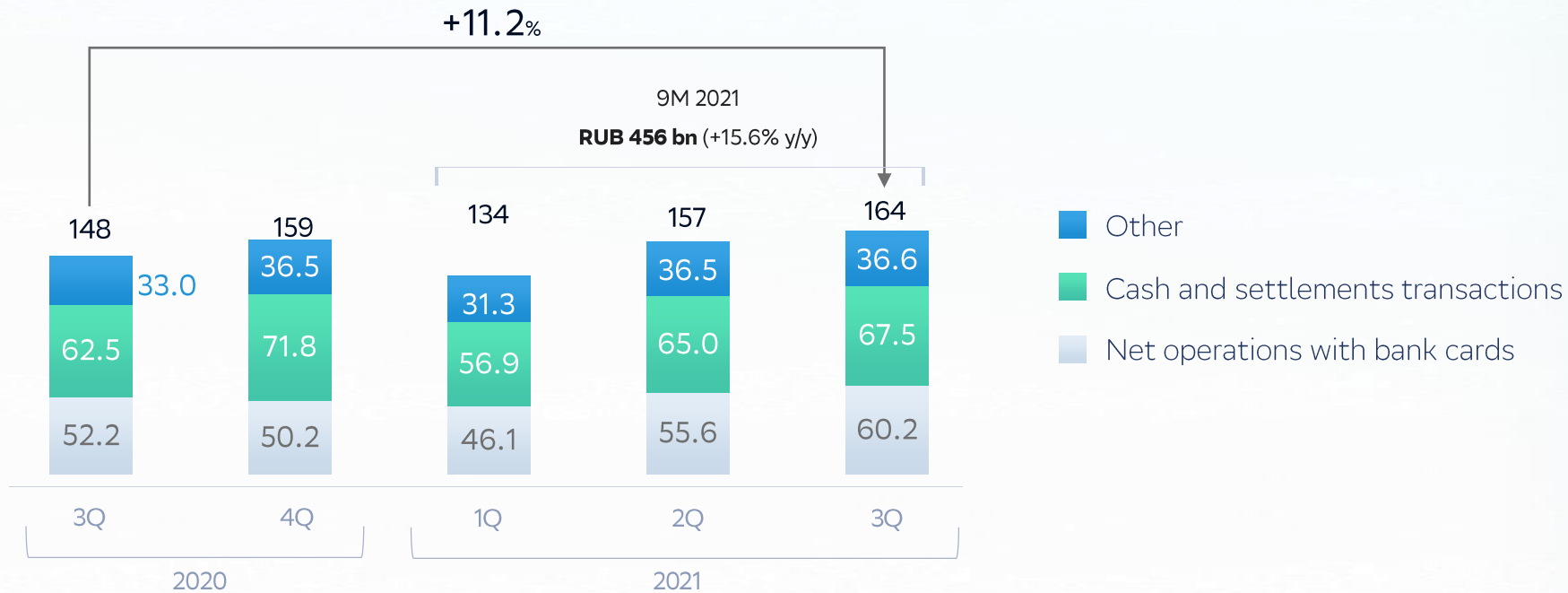
NIM (average)

~5.2%

>5.25%

# Fee and commission income growth driven by the payment business

Net fee and commission income, RUB BN



**Guidance  
2021**

Net F&C  
income growth

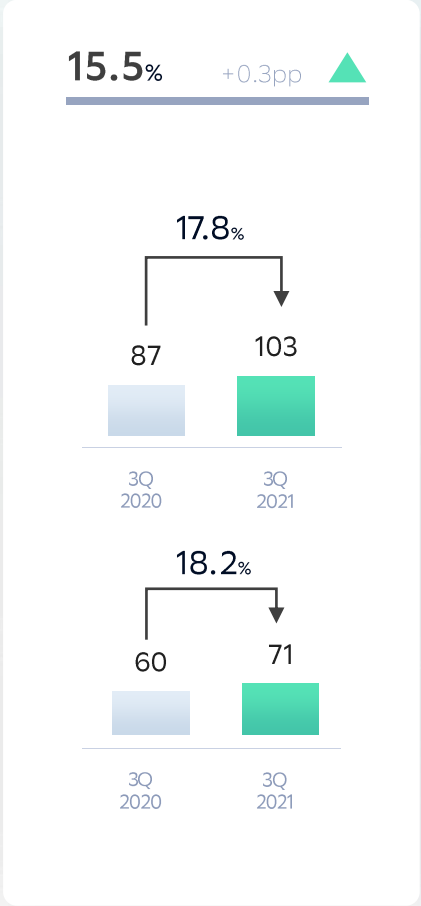
**>10%**

# Payment business

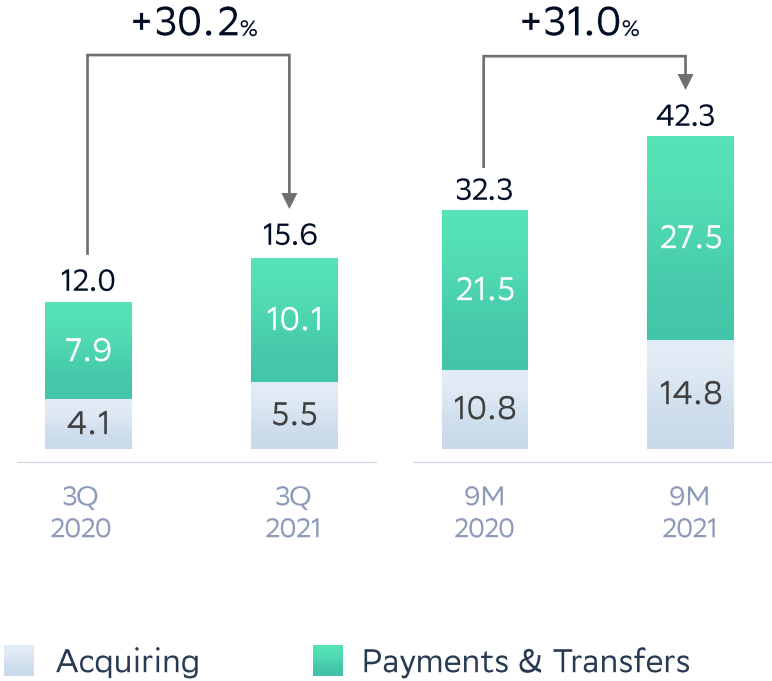
Share in adjusted  
Operating income before  
provisions

Operating income  
before provisions

Segment result  
(Profit before tax)



Total payment volume, RUB BN



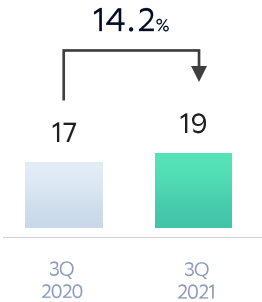
+3.4 Q/Q  
**4.4 mln**  
MAU SberPay

**65k**  
SberPay partners

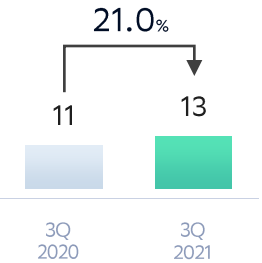
# Wealth Management and Brokerage

Share in adjusted  
Operating income before  
provisions

**2.9%** 0.0pp



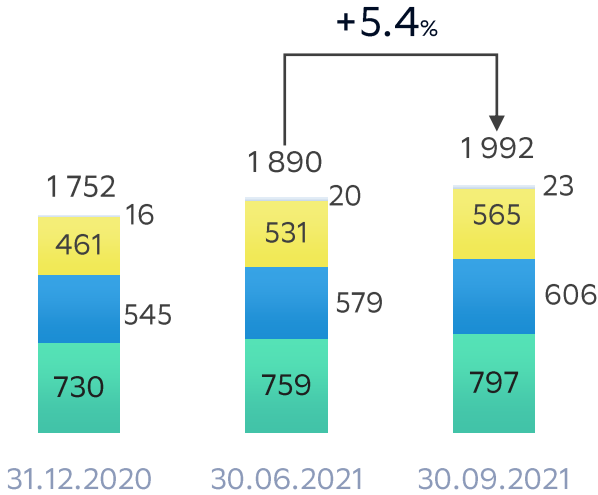
Operating income  
before provisions



Segment result  
(Profit before tax)

## Assets under management (AUM)

RUB BN



- Sber Non-State Pension Fund
- Sber Life Insurance
- Sber Asset Management
- Sber Non-Life Insurance

**50%**

Share of digital sales of  
investment products,  
measured in numbers

**RUB2.5 trln** +15.3% Q/Q

Assets under custody (AUC)

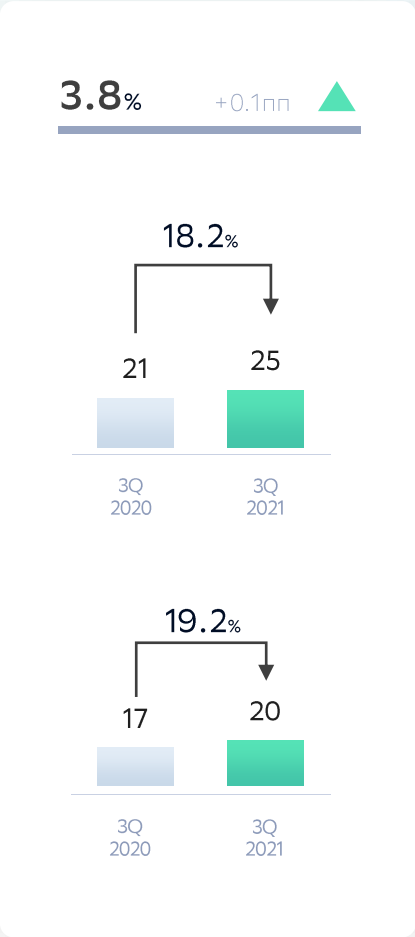
Best return among the  
largest Non-State  
Pension funds in 9M 2021

# Risk insurance

Share in adjusted  
Operating income  
before provisions

Operating income  
before provisions

Segment result  
(Profit before tax)



## New launches

### Mandatory car insurance

From October, 1 SberInsurance provided vehicle owners with the opportunity to purchase MTPL contracts on their own license

### Voluntary health insurance

Sberbank entered the voluntary health insurance market in partnership with the largest insurance companies

+4pp Q/Q

**50%**

Share of digital sales

**x4**

Growth of insurance premiums for corporate insurance products y/y

S&P Global Ratings has given SberInsurance a financial strength rating of BBB- with a stable outlook. S&P anticipates that SberInsurance will eventually build its capital to the level of BBB

**BBB-**

# Non-financial businesses - 3Q 2021

RUB BN, CHANGE Y/Y

Share in adjusted\* Operating income before provisions

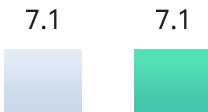
**1.1%** -0.1pp ▼

2.6x

Revenue



Gross Profit



EBITDA



RUB BN

Revenue

EBITDA

E-commerce

**17.4**  
▲ 7x (10.2)

FoodTech & Mobility

**4.7**  
▲ 3.1x (2.3)

Entertainment

**3.4**  
▲ 1.8x (2.6)\*\*

Health

**1.0**  
▲ 2x (0.1)

B2B services including:

**12.9**  
▲ 1.6x 3.1

Cloud

**2.3**  
▲ 2.6x 1.3

Cybersecurity

**0.8** 0.2

GMV RUB bn

**28.1**  
▲ 10x

Orders mln

**34.4**  
▲ 4.3x

Number of food orders mln

**23.8**  
▲ 1.5x

Number of rides mln

**46.3**

Users with subscription access to OKKO video streaming service mln

**4.5**

Users with subscription access to SberZvuk audio streaming service mln

**3.7**

Number of telemedicine consultations thds.

**162**  
▲ 4.1x



## Guidance 2021

Revenue from non-financial digital companies attributable to Sber

>RUB 200 bn

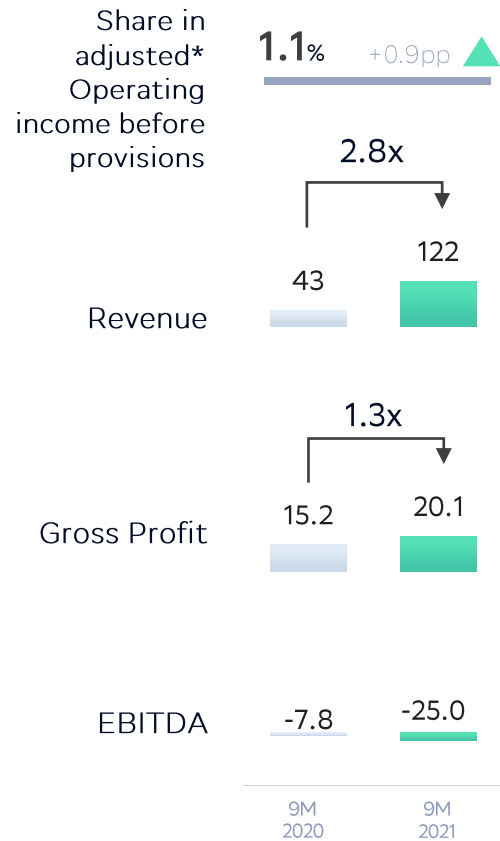
\*Gross profit for Non-financial business

\*\*Adjusted EBITDA

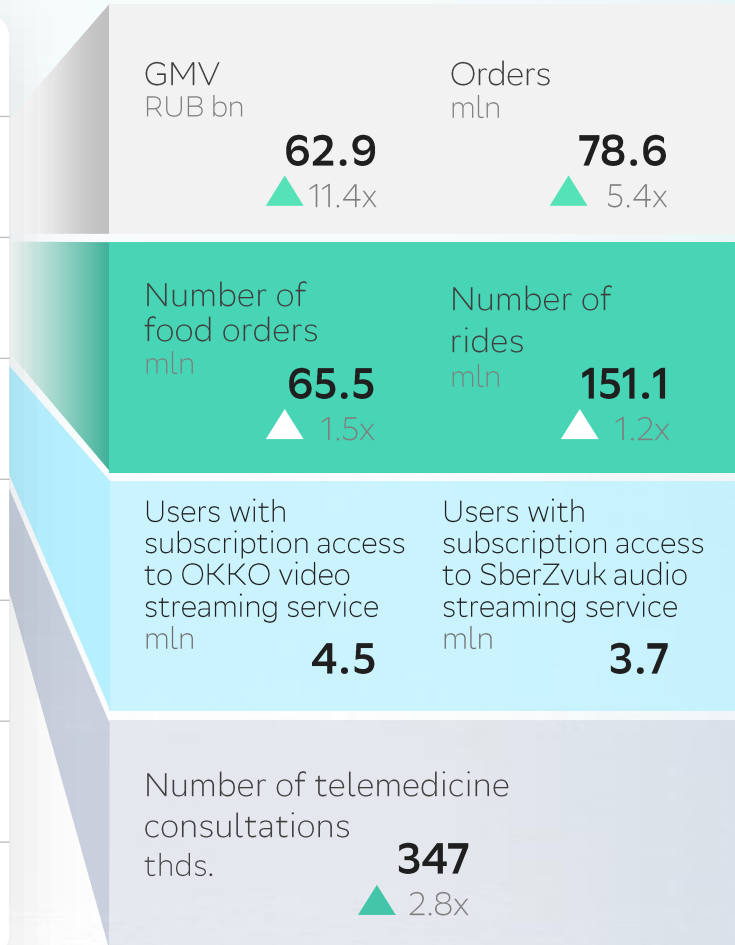
Revenue, EBITDA and GMV of associates or joint ventures are included into the metrics on a pro-rata basis to the Group's interest in respective companies during the reporting period. For the Group companies the metrics above are included on a 100% basis from the control acquisition date.

# Non-financial businesses – 9M 2021

RUB BN, CHANGE Y/Y



RUB BN	Revenue	EBITDA
E-commerce	<b>44.7</b> ▲ 9.3x	(22.4)
FoodTech & Mobility	<b>12.0</b> ▲ 3.5x	(7.6)
Entertainment	<b>9.0</b> ▲ 2.1x	(6.8)**
Health	<b>2.8</b> ▲ 2.2x	(0.1)
B2B services including:	<b>35.4</b> ▲ 1.6x	7.2
Cloud	<b>6.0</b> ▲ 3.8x	2.9
Cybersecurity	<b>4.5</b>	0.9



## Guidance 2021

Revenue from non-financial digital companies attributable to Sber

>RUB 200 bn

\*Gross profit for Non-financial business

\*\*Adjusted EBITDA

Revenue, EBITDA and GMV of associates or joint ventures are included into the metrics on a pro-rata basis to the Group's interest in respective companies during the reporting period. For the Group companies the metrics above are included on a 100% basis from the control acquisition date.

# E-grocery is a key growth driver in e-commerce. The share of Sber assets is over 30% on the market



Delivery of goods from offline partner stores

**GMV, RUB bn**

**13.3** x2.9 y/y  
3Q 2021

**33.6** x3.1 y/y  
9M 2021

**Number of partner retailers**

**99** +36 y/y  
3Q 2021

**Number of orders, mln**

**6.0** x4.2 y/y  
3Q 2021

- More than 100k orders per day
- The new B2B direction showed a 3x increase in the number of orders
- Fast delivery launch
- The first darkstore was opened in cooperation with Metro



Delivery of goods from darkstores

**GMV, RUB bn**

**10.6** x4.7 y/y  
3Q 2021

**26.1** x5.1 y/y  
9M 2021

**Number of darkstores**

**758** x2.6 y/y  
3Q 2021

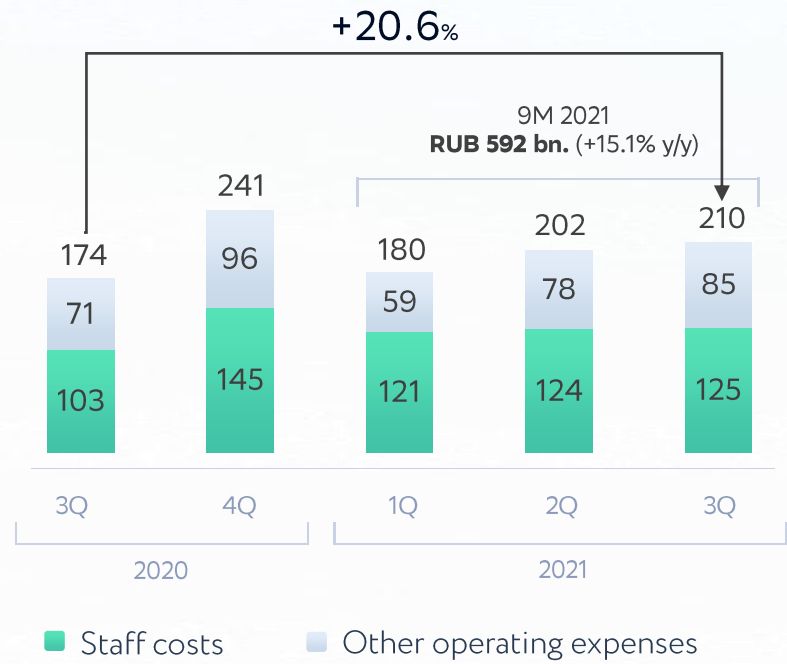
**Number of orders, mln**

**18.9** x4.2 y/y  
3Q 2021

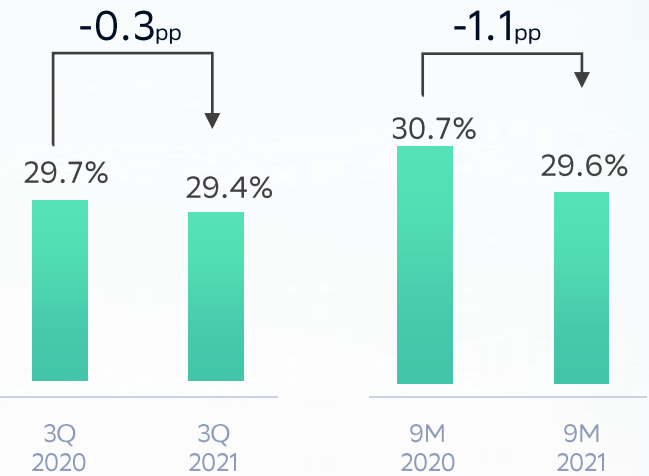
- The share of our own brand is about 16%
- Fast delivery is available in 22 cities across Russia
- One of the largest networks with a darkstore model globally

# OPEX growth came at 15% for 9M 2021 with improvement in efficiency of financial business

Operating expenses, RUB BN



Financial business  
Cost to income ratio (C/I), %



Financial business C/I is based on the following segments: Banking business, Payment business, Wealth management and brokerage, Risk insurance



Guidance  
2021

OPEX Growth

Low to mid  
teens

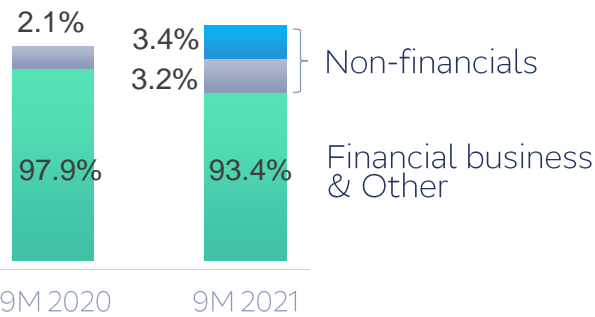
Financial  
business CIR

Stable y/y

# OPEX growth on the back of ramp-up of non-financial business

## OPEX structure

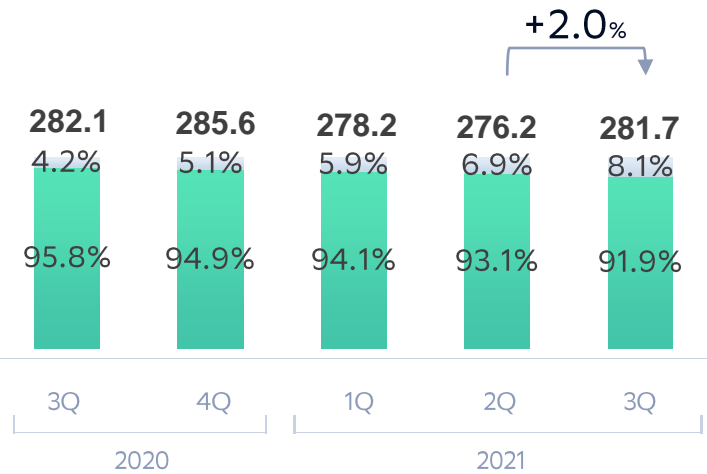
Management accounts



- Subsidiaries, acquired / consolidated from 4Q 2020
- Other non-financial subsidiaries

## Headcount

Actual number of full-time employees



- Non-financial businesses
- Financial business and others (excl. associates)

# Estimated savings impact from the cost optimization initiatives in 2021 exceeds RUB 21 bn

**>RUB 21 bn**

total annual impact



Digital transformation  
and moving to digital  
channels

**RUB7.8 bn**

AI based instruments  
and process  
optimization

**RUB3.1 bn**

Moving to  
Work-from-home

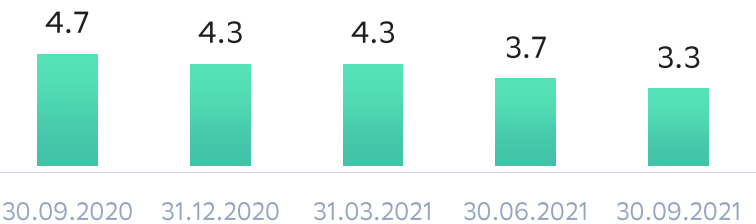
**RUB1.5 bn**

Other

**RUB8.7 bn**

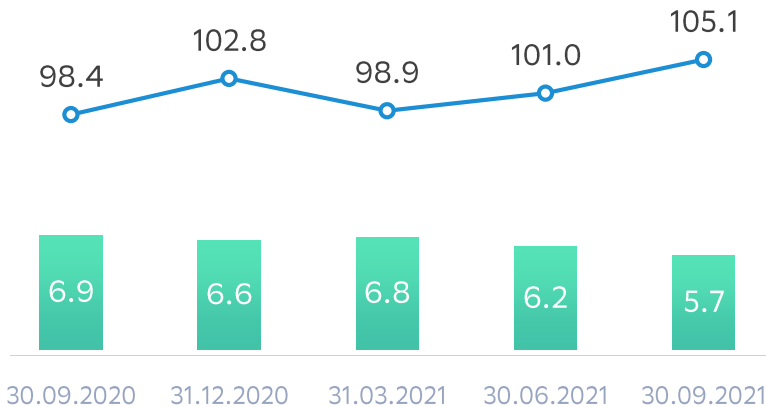
# Asset quality improved for all the key segments

Non-performing loans (90+) in total loan portfolio, AT AMORTIZED COST AND AT FAIR VALUE, %



\* Purchased/originated credit-impaired

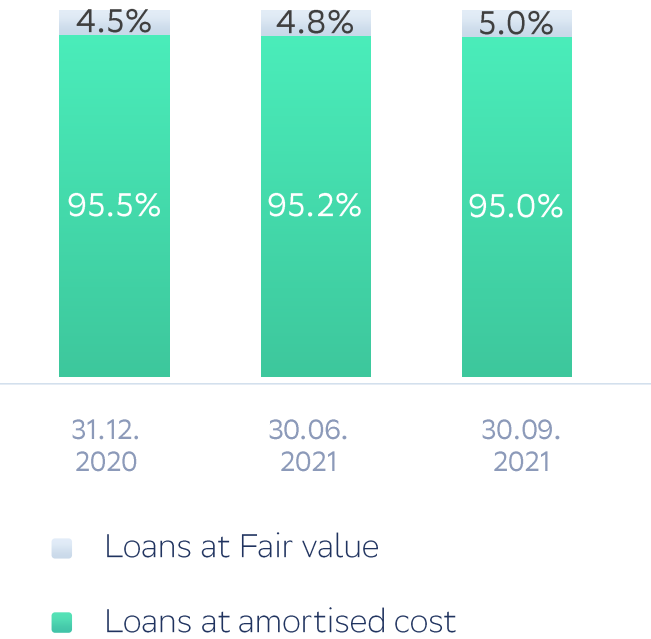
Total provision coverage of Stage 3 and POCI\* loans, AT AMORTIZED COST, %



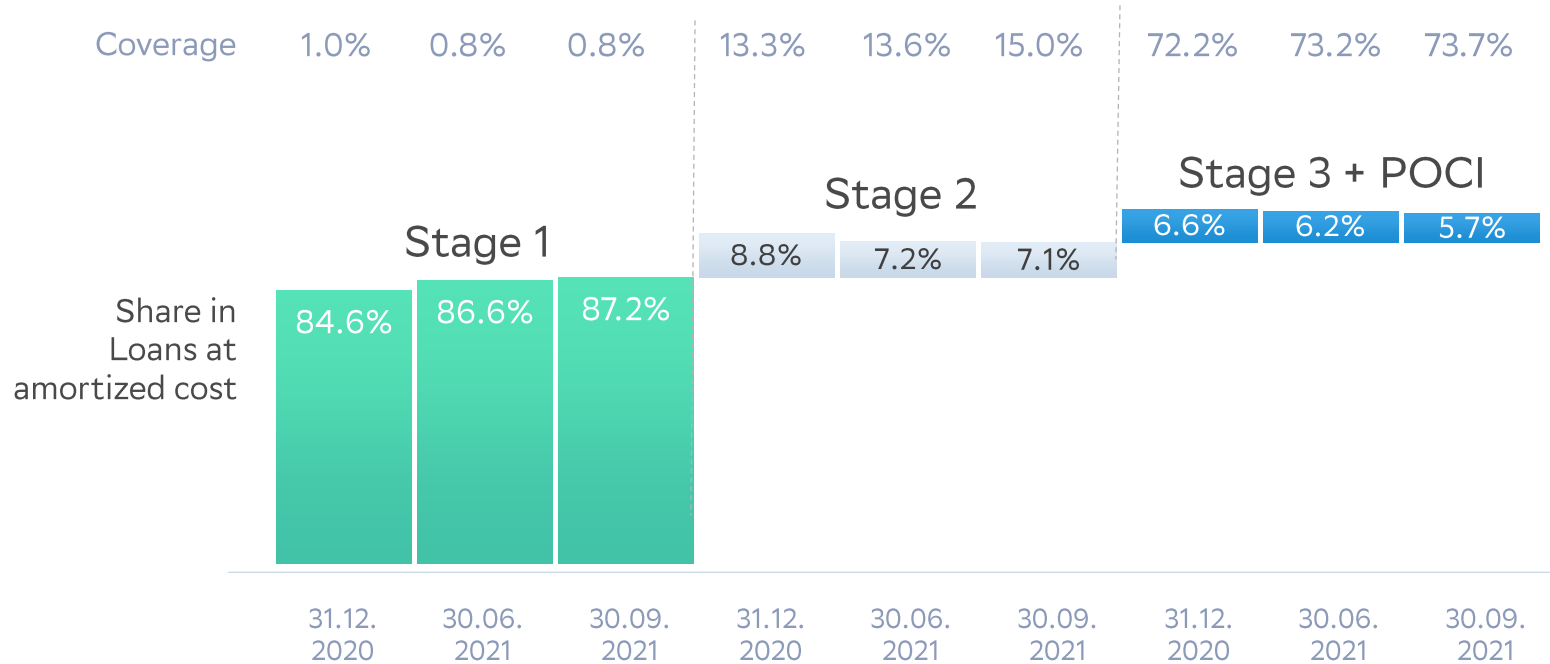
- Share of Stage 3 and POCI loans in Total loans at amortized cost
- Total coverage

# Loan quality analysis

Total loan portfolio

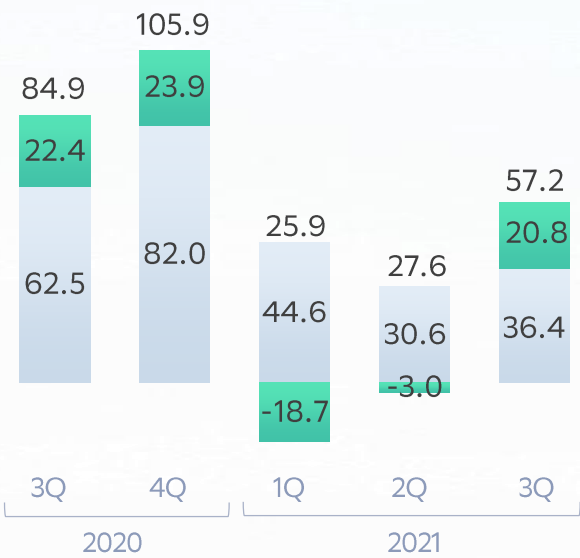


Loan portfolio at amortized cost by stages



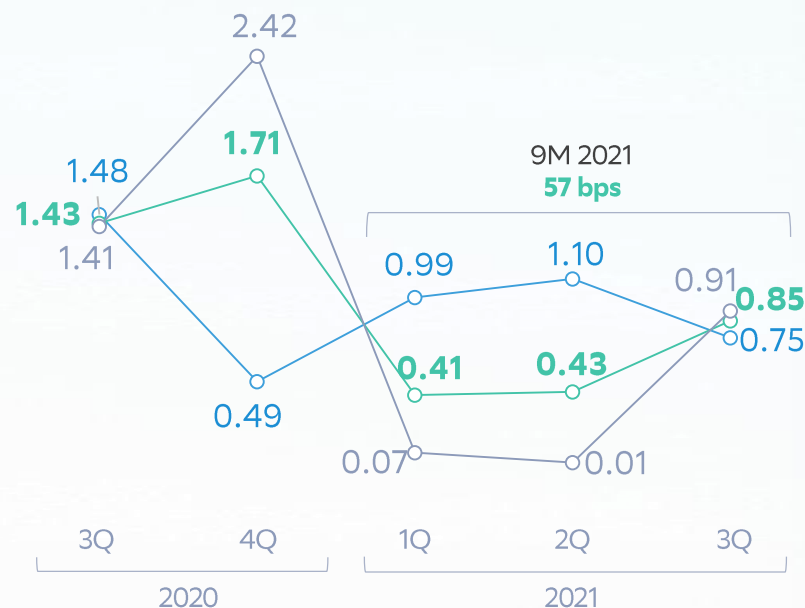
# Cost of risk came at 57 bps in 9M 2021

Net charge related to change in credit quality, RUB BN



- Provision charge for loan impairment
- 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

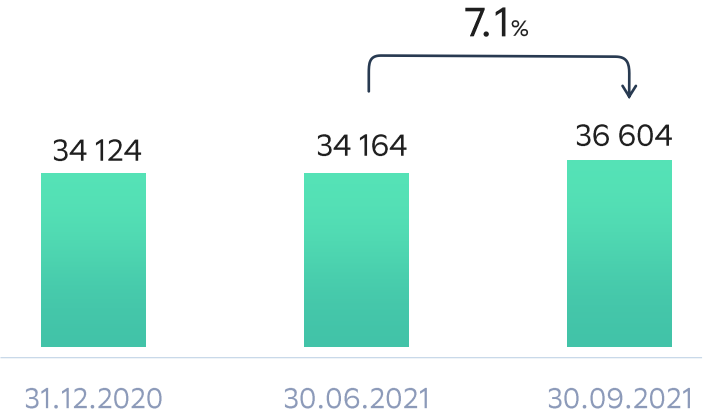


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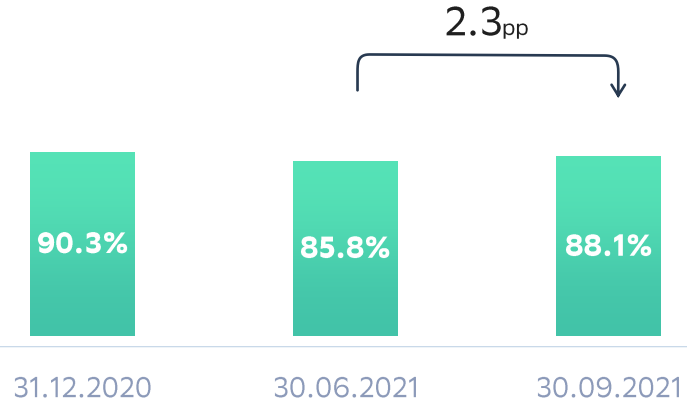
COR:  
70-90 bps

# The RWA density increased by 2.3 pp

Total risk weighted assets (RWA), RUB BN



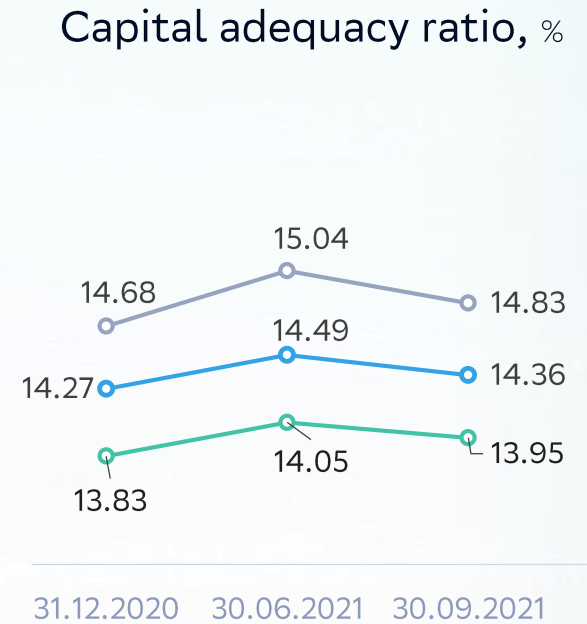
RWA density, %



# Capital adequacy is at a comfortable level



■ Perpetual subordinated loan



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



Guidance  
2021

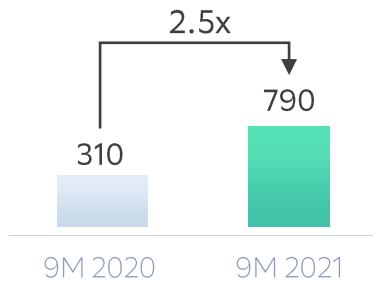
CET 1 CAR  
under Basel 3.5  
for the Group

~14%

# 3Q 2021: key highlights of tech transformation

## IT as a Service

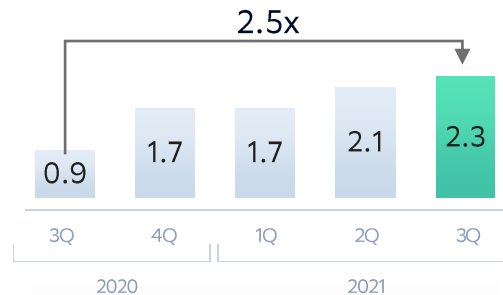
**Number of changes and releases,**  
thds



**99.99%+**  
Platform reliability

## IT as a Business

**SberCloud revenue,**  
RUB bn



**29 тыс** <sup>+4тыс Q/Q</sup>  
External developers

**800** <sup>+60% Q/Q</sup>  
Number of applications  
on SmartMarket



**>5 mln**

Salut virtual  
assistants MAU

**21 mln**

Users since Salut  
was launched

**257 mln**

Requests to Salut virtual  
assistants

# ESG transformation – key highlights

Sber approved **principles and standards of corporate governance** on the Group level

The **Code of corporate and social responsibility** in the implementation of procurement activities was approved

Supervisory Board Approved **Green Bond Concept** and **Debut Green Bond Program**

Sber's portfolio of **'green' loans** amounted to RUB 71 bn and **ESG-linked loans** to ~RUB 69 bn

**Key principles of ESG scoring** have been developed based on the data of large and medium-sized businesses based on the results of the survey

Stress testing system launched to account for **transition ESG risks**

**Sber headed the ESG-rank** among Russian public companies, according to the National Rating Agency

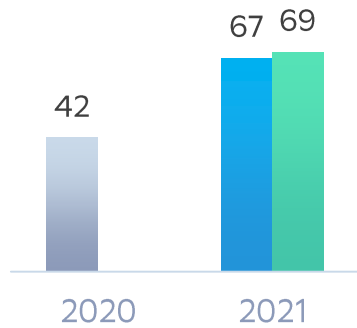
Sber actively participated in working groups on the development of a **national taxonomy** of sustainable development projects

Sberbank and VEB signed a **memorandum of cooperation** on ESG risk analysis

# Macro forecast

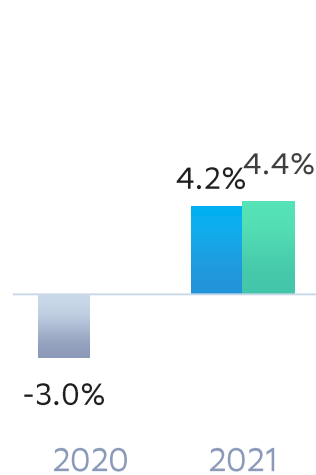
## Oil price,

URALS \$, AVERAGE FOR THE YEAR



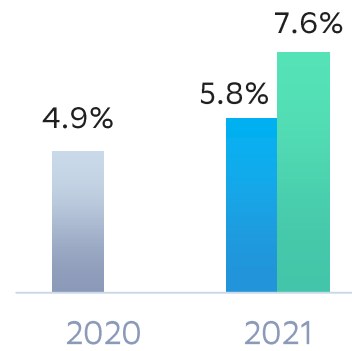
## Economic growth,

REAL, Y/Y



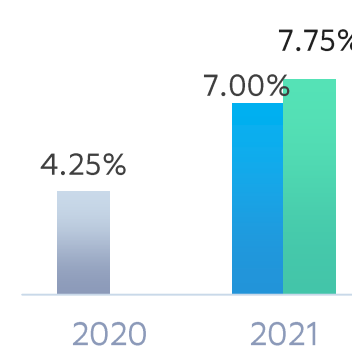
## Inflation,

END OF PERIOD



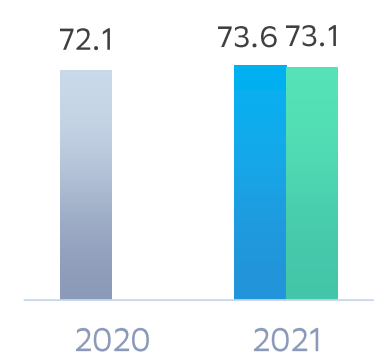
## CBR key rate,

END OF PERIOD



## RUB / USD,

AVERAGE FOR THE YEAR



■ — previous forecast as of 29.07.2021

# Sector forecasts 2021



Nominal  
growth  
dynamics

2021

As of 29.07.2021	Corporate loans	Retail loans	Corporate deposits	Retail deposits
Sector Russia	6-8%	18-20%	17-19%	7-9%
SberBank	In line with the sector	In line with the sector	In line with the sector	In line with the sector
As of 28.10.2021	Corporate loans	Retail loans	Corporate deposits	Retail deposits
Sector Russia	8-12%	20-22%	20-22%	7-9%
SberBank	In line with the sector	In line with the sector	In line with the sector	In line with the sector

# Guidance 2021

		2021 As of 29.07.2021	2021 As of 28.10.2021
Efficiency	Financial business Cost to income Ratio (CIR)	Stable y/y	Stable y/y
	Group OPEX growth	12-15%	12-15%
Profitability	NIM (average)	5.2%	>5.25%
	Net Fees & Commissions Growth	>10%	>10%
	Revenue from non-financial digital companies attributable to Sber	>RUB 200 bn	>RUB 200 bn
	Cost of Risk	70-90 bps	70-90 bps
	ROE	>22%	>23%
Capital	CET 1 CAR under Basel 3.5 for the Group	~14 %	~14 %

# Sber 3Q 2021 results under IFRS



**Alexandra Buriko**

CFO



**Dzhangir Dzhangirov**

CRO



**Anastasia Belyanina**

Head of Business Valuation & IR



# Q&A

3Q 2021



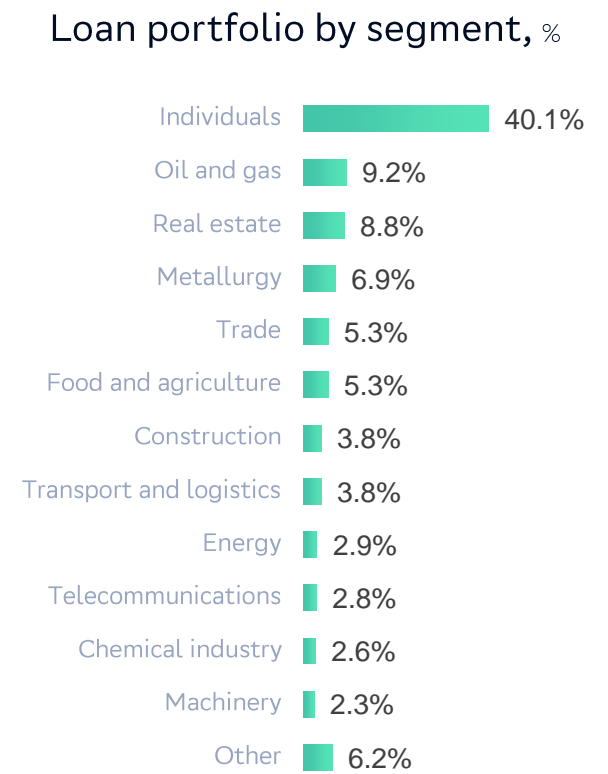
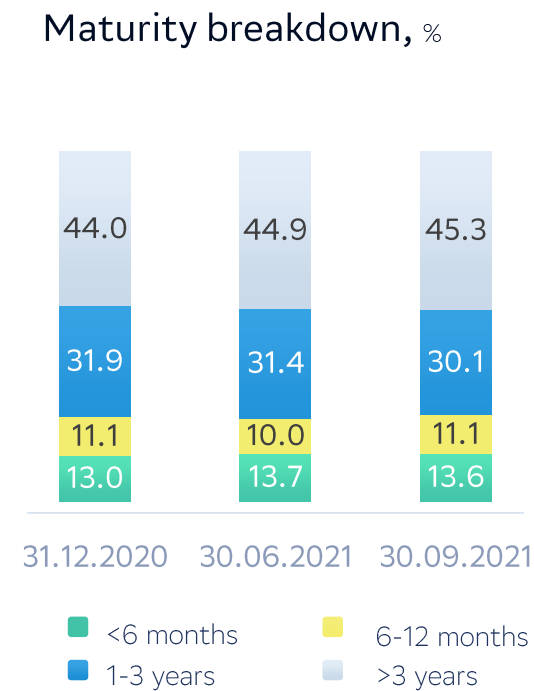
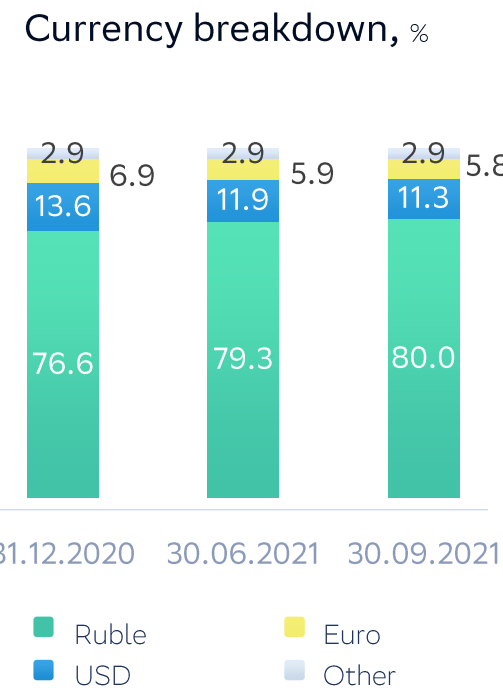


# Appendix

3Q 2021

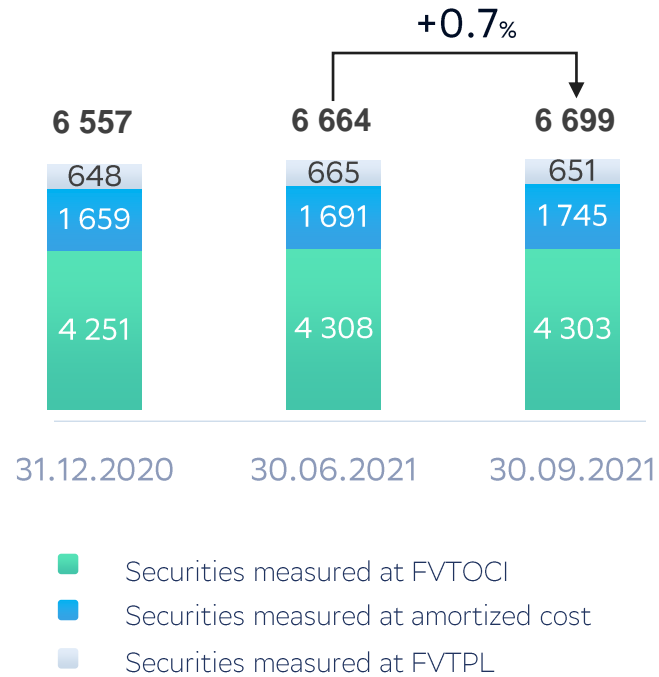


# Loan portfolio structure: share of retail loans exceeded 40%

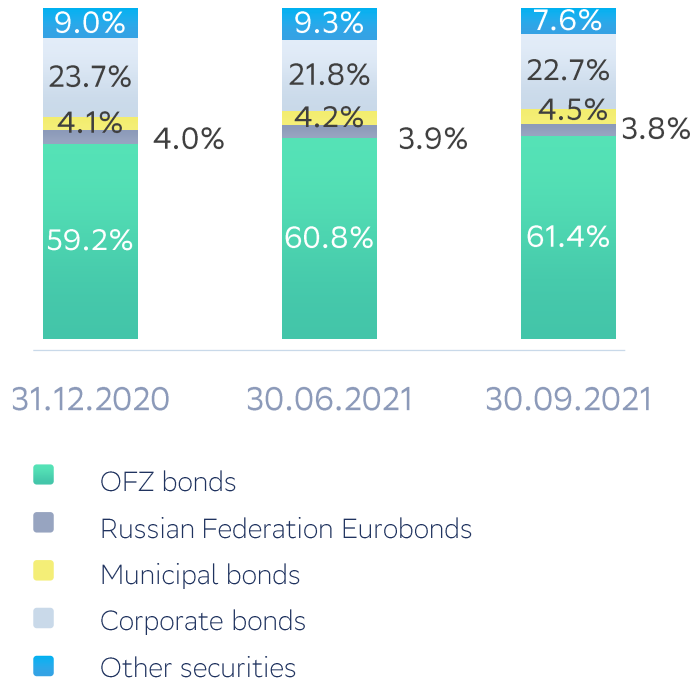


# Securities portfolio remained stable

Securities by portfolio, RUB bn

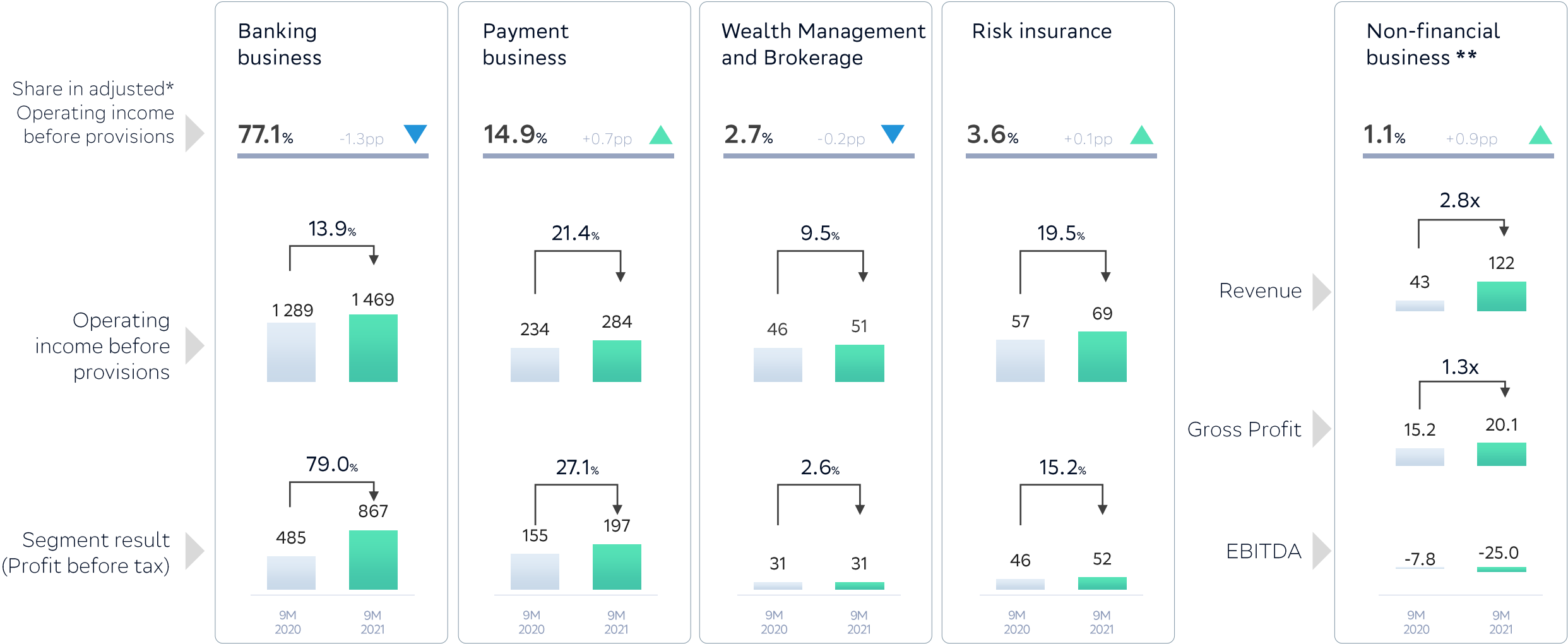


Securities by type, %



# Segment analysis – 9M 2021

RUB BN, CHANGE Y/Y



\*Gross profit for Non-financial business.  
 \*\*Revenue, Gross Profit and EBITDA of associates or joint ventures are included into the metrics on a pro-rata basis to the Group's interest in respective companies during the reporting period (except for Yandex Market data)