

Deployment of Information Technology



We have plans to complete the technological modernization initiated several years ago and build world-class IT systems and a top-notch technology infrastructure. We will become market leaders in the use of the latest digital, mobile, and social technology. We also want to be among global leaders for cyber security, analytics, and big data.

Herman Gref,

CEO, Chairman of the Executive Board

Sberbank aims to make technological innovations a part of its own DNA, learn how to integrate them into existing business processes, and use them as a foundation to launch new business models

Technological innovation will help make the IT systems, infrastructure, and processes of Sberbank Group:

- **Reliable:** by ensuring a high level of reliability and availability for all IT services and by streamlining the architecture, centralizing and upgrading the infrastructure
- **Flexible:** by bringing products to the market as rapidly as possible, increasing the scalability of IT systems, streamlining and standardizing the architecture, technologies, and processes
- **Cost-effective:** by optimizing the IT costs and total business expenses of Sberbank as much as possible
- **Future-proof:** by building a solid technological foundation for the further development of the Bank after the implementation of the new Strategy

Key achievements at the current stage

Modernization of the Technological Platform

- The IT systems of Sberbank can withstand an average annual increase of 40%–45% of transaction load and 70% for the peak load on the main systems.
- The IT system centralization program is fully complete.
- Today, Sberbank is building a fundamentally new technological platform with no comparisons anywhere in the world.

Reliability

- The availability of Sberbank critical banking systems is 99.99%.
- Operational downtime reduced more than tenfold: 74 hours in 2016 vs. 800 hours in 2012
- Downtime due to incidents reduced almost twentyfold: 54 hours in 2016 vs. 1,056 hours in 2012 Southern Port processing data center.
- The Southern Port data center (DC) commissioned in 2012 was certified in accordance with the globally recognized Tier III Gold Operational Sustainability standard.
- In 2016, the Bank began construction of its new DC in the Skolkovo Innovation Center, which is designed to be the largest in Russia and one of the largest in Europe. The Bank changes its approach to the management of the IT infrastructure from the principle of availability of IT systems to the quality and reliability of business services.

Flexibility

- The speed of launching new IT projects has significantly increased: 270 projects in 2016 vs. 7 in 2011.

Cost Efficiency

- Sberbank outperforms the world's leading banks in terms of key IT performance indicators (IT costs, number of IT staff, and related costs).
- Amid a higher workload, operating costs are steadily declining.

Operating Model

- Sberbank reduced the number of employees involved in supporting client transactions from 58,000 in 2008 to 10,000 in 2016.
- IT support processes of Sberbank are certified under CMMI (Level 3).
- The Bank is currently undergoing an agile transformation by transitioning to a flexible design methodology "Sbergile." Once completed, the transformation will maximize not only design flexibility but also the speed of bringing new products to market.

Big Data

- Today, Sberbank processes petabytes (10^{15}) of data.
- The analysis of big data on client activity has helped reduce non-performing loans, lower risks, which led to lower interest rates on loans and offer special offers with more appealing terms for various segments of borrowers.

Innovation

- The main strategic innovation of Sberbank is its creation of a new technological platform and introduction of new services on its basis.
- Sberbank is constantly exploring emerging technologies in terms of their potential application and benefits.
- The main areas of breakthrough innovation in 2016–2017 include blockchains, Internet of Things, machine learning, biometrics, and cloud computing.
- Sberbank actively involves its employees in terms of current innovations: In 2016, this included more than 100 thousand employees who submitted more than 30 thousand proposals, 13 thousand of which were implemented. The resulting economic effect amounted to more than RUB 4 bln.

Cybersecurity

- The Bank launched the basic functionality of its Security Operations Center, which implements the collective, real-time protection system of the banking community against cybercrime under the concept of Cyber-Security-as-a-Service.
- More than 100 mln transactions are checked online daily.

» For more details on Sberbank IT, see the "Information Technology" chapter on page 154