

Developing socially-oriented products

Pensioner support

Sberbank's portfolio contains a number of proposals developed specially for pensioners. In particular, we provide pensioners with a Sberbank-Maes Social Card without fee for debiting of pensions. The Social Card provides pensioners with convenient access to the whole range of banking services, including wire transfers, payment transfers and remote account management. About 25 million people used the card in 2015.

Service for pensioners to receive the Statement of pension types and amounts paid by the Russian Pension Fund

In 2015, we moved to a new unified data exchange format with the subdivisions of the Russian Pension Fund (RPF) by providing RPF pensioners with a new fee service that entitles them to a statement of the types and amounts of pensions debited to their Sberbank account. These statements can be received in any of our offices, via Sberbank Online or at self-service machines. The service helps pensioners to receive detailed information on all types of payments from RPF and amounts paid for a specific period.

Sberbank launched Your Victory promotion deposit in 2015 to commemorate Victory Day. If the deposit is made during the period of validity, one rouble per thousand is transferred to the Russian Veterans' Union charity fund. A total of 1.4 million agreements worth RUB 303 billion were signed.

Subsidiary banks are also developing their own special pensioner-focused products.

- ✓ BPS-Sberbank offers the Pension Light banking package in which senior customers enjoy higher interest rates on deposits and all transactions on pension accounts are commission-free.
- ✓ DenizBank signed an agreement with the Social Protection Institute to attract recently retired customers. This contributed to an increase in the number of senior customers by 95% (from 208,000 to 406,000 people) in 2015.
- ✓ Sberbank Europe (Slovenia) offers pensioners the possibility of opening a current account without an initial deposit and with lower monthly service fees. A total of 276 accounts were opened in 2015 worth EUR 3.8 million.
- ✓ Sberbank Europe (Bosnia) offers the Pension Plus service, which had 673 users in 2015.

Student Support

Sberbank offers special conditions on financial products for students by taking into account their special requirements. We have participated in the Government-supported student loan programme, implemented by the Ministry of Education and Science of the Russian Federation, since 2014. The special conditions for students did not change in 2015, in which the government reimburses a portion of education-related expenses to students so that the loan rate is one quarter of the refinancing rate plus five percentage points (7.25% p.a.). Additional benefits include the lack of the requirement to secure collateral, guarantors, or confirmation one's income. The borrower is provided with a grace period on principal and interest payments while studying and for three additional months after completing their studies, which relieves part of the burden on students in the most difficult financial period while they are studying and before they find employment. Students received about 2,500 loans during the programme period.

In 2015, we continued to provide nine partner universities and colleges with the opportunity to issue a stipend card with university symbols. Furthermore, the card provides access to the university premises, is used to pay for lunch in the canteen, and for educational services on the University's website.

We also issued the Molodezhnaya card with a lower annual fee developed specifically for students. This card may be used to obtain bonuses to be redeemed for other purchases. A total of 3 million new cards for young people (of the total of 6.5 million cards for young people in use) were issued in 2015.

Support for children and teenagers

In 2015, Sberbank, together with its subsidiary JSC UEC, supported the implementation of the Ladoshki (Palms) innovation system of cashless payment for meals in pilot schools in the Volga, Moscow and Voronezh Regions.

In this system, schoolchildren do not need cash to pay for their meals. They can simply put their palm on the payment terminal, which identifies the child by reading the unique vein pattern on their palm. After authentication, the child's individual palm pattern is converted to a digital code via a unique mechanism that provides unparalleled protection against fraudulent use.

The schoolchild's unique digital code is linked to the parent's personal account, which is then used to settle payments for meal services. Regulations were developed not to link the parent's personal account with a specific school, in order to later create a common Ladoshki system across the Russian Federation. Parents may refill their account on their profile on the Ladoshki website, via Sberbank Online, or at self-service machine. More than 65,000 schoolchildren had used the Ladoshki service by the end of 2015. Sberbank received the Time of Innovation-2015 award in the Social Innovation of the Year nomination.

The Group's subsidiary banks operate a series of socially oriented products for children and teenagers, including opening of accounts, high interest deposits, and integrated service packages (for example "15+").

Housing loans

We believe that it is a part of our social mission to improve housing conditions. Sberbank was recognised as a housing lending leader in 2015 by issuing

total mortgage loans worth over RUB 660 billion. We are cooperating with the Government at extending housing loans and are actively involved in the implementation of federal and regional programmes that provide special conditions under mortgage loans for specific social groups.

Sberbank's housing lending programmes

Product	Special conditions	2014 results	2015 results
Young family	Minimum initial payment (from 15%) Deferred principal payment in case of a child birth Promotions	183,700 loans granted worth over RUB 284 billion	101,000 loans granted worth over RUB 153 billion
Government-supported mortgage	Reduced interest rates to purchase flats in new houses (11.4%—11.9% over the year)	—	109,000 loans granted worth over RUB 187 billion
Mortgage plus maternity capital	Use of maternity capital (MC) for calculation of the maximum loan amount	Maternity capital used by 120,700 borrowers to repay loans for RUB 46.5 billion	Maternity capital used by 140,000 borrowers to repay loans for RUB 66.5 billion
Military mortgage	Rate of 12.5% p.a. Initial deposit — 20% over 20 years Loans are repaid with targeted housing loans provided to soldiers by the government	A total of 3,600 loans granted worth RUB 6.6 billion	A total of 11,400 loans granted worth RUB 20.0 billion
Building-and-loan associations (Popular Mortgage)	Fixed interest rate from 6% to 8% p.a. Subsidies from regional budgets (to 30% of the participants' savings)	10,000 accumulative deposits opened worth RUB 1.2 billion A total of 48,000 loans granted worth RUB 29 billion	9,000 accumulative deposits opened worth RUB 1.5 billion A total of 267,000 loans granted worth RUB 149 billion
State housing certificates (SHC)	Participation in the federal targeted Housing programme	A total of 9,700 SHC loans granted worth RUB 20.2 billion	A total of 8,000 SHC loans granted worth RUB 15.7 billion
Regional housing programmes	Subsidies from regional and local government, as well as from employers	A total of 12,200 loans granted worth RUB 19 billion	A total of 13,000 loans granted worth RUB 19 billion

Other social banking products

Sberbank has been servicing the national debt under guaranteed savings of Russian citizens since 1996 in accordance with the Federal Law on Restoration and Protection of the Savings of the Citizens of the Russian Federation. We paid compensations of RUB 6.4 billion in 2015 (compared to RUB 7.2 billion in 2014).

Sberbank has been working with the Deposit Insurance Agency Group since 2008 by making insurance payments under the deposits of the banks participating in the deposit insurance programme and suffering an insured event. Against the backdrop of the economic recession, in which a growing number of banks are losing their licences, Sberbank's role has increased. We paid more than RUB 167 billion in deposit insurance in 2015 to 338,000 depositors of 25 banks.

We also take an active part in the implementation of the government programme involving support to private farm holdings aimed at development of farming. The programme subsidises a portion of the interest rate with budgetary funds, which makes loans more affordable to customers. We granted about 3,500 loans in total worth RUB 740 million in 2015. Next year, in order to reduce the loan request periods and Sberbank's operational risks, we are planning to move this service to the Credit Factory platform.

Tatarstan resident's card

In 2015, Sberbank and the Republic of Tatarstan signed the Cashless Tatarstan cooperation agreement aimed at developing cashless transactions in the region. In particular, Sberbank will assist with issuance of Tatarstan resident's cards, which can be used for payment and identification. Users will access a number of informational and touch-free payment services, which will streamline their electronic access to municipal and social services. The project will be launched in Zelenodolsk in 2016.