

**Loans***Retail loan portfolio***Retail loan portfolio (the Group, IFRS), RUB billion**

	2013	2014	2015	2016	2017
Retail loan portfolio:	3,748	4,847	4,966	5,032	5,717
• mortgage loans	1,569	2,270	2,555	2,751	3,191
• consumer loans	1,673	1,868	1,682	1,574	1,726
• credit cards and overdrafts	349	539	587	587	679
• car loans	157	170	142	120	121

*Mortgage loans*

We are the largest player on the Russian mortgage loan market. Sberbank's share of the mortgage loan market increased by one percentage point compared to 2016 and reached 55.6%. In all, 632 thousand mortgage loans worth a total of RUB 1,092 billion were issued during 2017. The number of mortgage loans issued by Sberbank in 2017 increased by 51% compared to the previous year.

**Mortgage loans, Sberbank**

	2013	2014	2015	2016	2017
Sberbank's share in the Russian mortgage loan market, %	50.4	53.0	55.0	54.6	55.6
Volume of mortgage loans issued by Sberbank, RUB billion	638	898	667	722	1,092
Number of mortgage loans issued by Sberbank, thousand	451	589	439	475	632

We provide support and assistance to our clients at all stages of acquisition of real estate. Since 2016 Sberbank and Rosreestr (Federal Service for State Registration, Cadastre, and Cartography) have been offering clients an electronic registration service for transactions with finished construction, including the option for electronic registration of newly-built real estate properties. The electronic system registered its 100,000th transaction in October 2017. As a result of the pilot project with Rosreestr in the Moscow oblast, the time needed for the electronic registration of transactions was reduced from eight days to one business day, thereby setting a new standard in client service. In 2018 we plan to include Moscow and Saint Petersburg in the pilot project.

The multi-format platform DomClick (“Dom” means “House”) created by us allows clients to resolve the entire range of tasks involved in the acquisition of real estate: from applying for a mortgage loan to submitting transaction documents for the state registration of title to the real estate. This service unites Sberbank clients, personnel and partnering real estate developers and agencies, thereby creating a convenient platform for performing transactions with real estate.

The volume of mortgage loans issued through the DomClick platform increased by 51% compared to 2016, and equaled RUB 10.8 billion, while the interest rate fell from 11.9% in December 2016 to 9.7% in December 2017. A new product also showed a high growth rate – refinancing of mortgage loans issued by other banks. In December 2017, the share of this product accounted for 7% of the total volume of mortgage loans issued by Sberbank.

### Electronic registration using the DomClick platform, registration period (in days)



An important innovation was the launch of selection and approval of apartments on DomClick platform. Based on the results of an investigation by the SimilarWeb analytical service in November 2017, this service was in fifth place among websites working with real estate in Russia. Another improvement made to the platform is the approval of mortgages without the requirement to fill in a questionnaire for payroll card clients, who receive authorization through Sberbank Online. This significantly simplifies the process of submitting an application for mortgage.

### “Affordable Housing” programs

We offer our clients several socially oriented mortgage loan products containing preferential terms for certain population groups. For example, under the “Mortgage for Young Families” program young families in which one of the spouses is younger than 35 (inclusive) are offered a 0.5 percentage point discount on the base interest rate set for a mortgage loan. During 2017 we issued 153.6 thousand loans under this program worth RUB 261.9 billion.

Sberbank also offers a mortgage loan with special terms for the purchase of finished construction and construction in progress under the “Military Mortgage” program for military personnel participating in Sberbank’s savings and mortgage system. Mortgages are provided at a lower interest rate, on the condition of its payment in full using budget funds allocated by federal state-owned institution Rosvoenipoteka. During 2017 the initial down payment on the product was lowered from 20% to 15%, and the interest rate from 10.5% to 9.5%. Sberbank’s share of the Military mortgage market increased from 36% to 51% in 2017.

We are proud of our contribution to economic development of the regions where we operate and our support of the most vulnerable population groups. As part of its basic line of mortgage products, Sberbank offers mortgage loans at a flat reduced interest rate for participants in state, federal and regional programs aimed at developing the housing sector. In 2017, a 9% interest rate was established under municipal social subsidy programs, which is competitive and attractive for clients.

To attract and retain clients, Sberbank launched a program in 2017 to reduce interest rates on previously issued mortgage loans. In June a one-off reduction in interest rates to 11.5-12.5% was implemented for mortgage loans previously issued to bank employees and employees of subsidiaries. For clients that are not bank employees a program under which clients can request a reduction in interest rates to 12-13% was launched. Since July 2017 the interest rates on the entire line of products (“Acquisition of finished construction”, “Campaign for developers”, “Rural real estate”, “Housing construction”) have been reduced under the interest rate reduction program and regional differentiation rates have been eliminated.

Sberbank extended the period of validity of a number of mortgage loan campaigns in 2017. For example, after the completion of the “Mortgage with state support” program on January 1, 2017, Sberbank decided to continue making loans available on the same terms if the loan application had been completed in 2016. The program covered both finished construction and construction in progress on the primary real estate market. A total of more than 9 thousand mortgage loans worth RUB 16.7 billion were issued under this program in 2017.

Together with the “Mortgage with state support” program, the “Campaign for developers” was also extended, and from February 20, 2017 began to cover all applications under the “Acquisition of construction in progress” program. This campaign was distinguished by its lower down payment (starting at 15%), the absence of an interest rate increase during the period up to mortgage registration, and its flat rate. In 2017, 120 thousand loans worth RUB 232 billion were issued as part of this campaign.

We are actively developing new services and improving offers on existing mortgage loan products. In 2017 we launched a new product called “Refinancing of homeowners’ loans”, and began to offer more attractive terms on the product “Acquisition of finished construction” and the campaign “Regional promo”. Under the “Refinancing of homeowners’ loans” program, 22.2 thousand loans worth RUB 38 billion were issued in 2017.

In March 2017, we transitioned to noncash transactions and continued to improve a number of services. The pilot program on letters of credit was expanded to all regional banks, and noncash settlements became possible on the purchase by a mortgagor of housing under construction. New client services for the repayment of loans were also rolled out – a change in the payment date and partial early repayment with a reduction in the loan term.

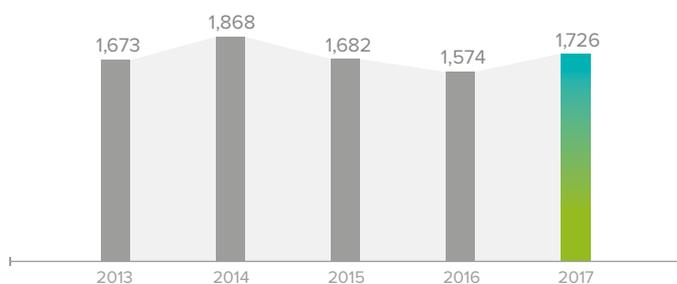
The “Secure Settlements” service was implemented in all regional banks. This service makes noncash settlements possible under sale and purchase transactions for finished construction.

## Consumer lending

### Consumer loan portfolio

	2013	2014	2015	2016	2017
Sberbank's share in the Russian consumer loan market, %	32.8	32.5	33.2	33.2	31.8
Volume of loans issued by Sberbank, RUB billion	970	915	519	797	968

### Consumer loan portfolio (the Group, IFRS), RUB billion



The volume of consumer loans issued by Sberbank in 2017 increased by 21.5% and equaled RUB 968 billion. As of January 1, 2018, Sberbank's consumer loan portfolio equaled RUB 1,726 billion

Since April 2017 the maximum loan amount has nearly doubled for the entire line of consumer loans. For example, the maximum loan amount for the product "Unsecured consumer loan" was increased from RUB 1.5 million to RUB 3.0 million, and increased for the product "Consumer loan under personal surety" from RUB 3 million to RUB 5 million. Interest rates were also lowered twice in 2017 on the entire line of consumer loans, and the need to confirm the targeted use of funds under the product "Consumer loan for loan refinancing" was cancelled from May 2017.

During 2017 Sberbank conducted several promotional offers with lower interest rates. For example, during the period from November 2017 to January 2018, we held a New Year's event for consumer loans. The Bank offered lower fixed interest rates based on the amount of the loan and the method of submission of the loan application. Consumer loans worth a record RUB 123 billion were issued in December 2017, which is 40% more than in December 2016.

Sberbank continued to optimize lending processes in 2017, making the process of receiving loans more convenient for clients. From February to March, we rolled out offer technology that makes it possible to apply for a loan in one bank visit. Thanks to this technology after submitting an application and receiving a preliminary decision, the client immediately signs the loan documentation. When final approval is received, the money is deposited on the client's card without the need for a second office visit. In March 2017 the possibility to execute the full early repayment of a loan in the presence of the client with the issue of a loan debt clearance certificate without the need for a second trip to the Sberbank office was introduced.

We also continued to develop remote service channels in 2017. Clients who have their salaries or pensions directly deposited to their Sberbank account or card, and clients with a pre-approved offer were given the opportunity to conclude the loan agreement in web version of Sberbank Online. The share of loan agreements concluded remotely increased from 0.7% of all loan applications completed in Sberbank Online at the start of the year to 20.1%. Loan applications can be submitted, and loan agreements concluded, in Sberbank Online 24/7, which gives clients the ability to receive consumer loans without a bank visit. This enhanced the popularity of remote channels at Sberbank, with every third loan application already being concluded in Sberbank Online.

## Car loans

### Car loan portfolio, Sberbank and Cetelem Bank LLC

	2013	2014	2015	2016	2017
Joint share of Sberbank and Cetelem Bank in the Russian car loan market, %	14.8	15.8	15.2	14.4	13.7
Joint position of Sberbank and Cetelem Bank in the car loan market	2	1	1	1	1
Volume of car loans issued by Sberbank and Cetelem Bank, RUB billion	103	85	42	51	72
Number of car loans issued by Sberbank and Cetelem Bank, thousand	215	150	80	81	109

Nearly all of the Group's car loan business in Russia was transferred to Cetelem Bank LLC in 2013. Cetelem Bank LLC is a subsidiary bank of Sberbank specializing in car loans, point-of-sale loans (POS loans), and financing for car manufacturers against the assignment of receivables due from dealers (factoring). Partner dealer centers are Cetelem Bank's main sales channels.