Client satisfaction index

Ensuring the availability of financial services

In its activities, Sberbank focuses on the needs of its clients and is constantly expanding the ways it engages with them. The Bank fine-tunes its service channels to various client groups so they can easily, conveniently, beneficially, and safely use its banking services.

Clientcentric Service Model

Principles of Clientcentric Service Model

1. Reliability/100% performance of obligations
2. "The client is always right" principle
3. We know all about our clients, and anticipate their expectations
4. Friendly attitude and qualified client service
5. Continuous generation and introduction of new services and improvements
6. 100% financial security, unobtrusive to the client
7. Clients have access to the history of all their transactions and relations with the Bank
8. Services that clients need 24x7, are available 24x7
9. Resolving client issues at the time of contact (FCR 100%)
10. Clients can access any service through convenient channels

Beta Testing of Sberbank Online Apps

Throughout the three years of beta testing for Sberbank Online apps on major mobile platforms such as iOS, Android, and Windows Phone, we have used crowdsourcing, which also helps when making improvements to the app. Over the year, we organized 11 testing projects with the permanent participation of 300 testing experts and published more than 500 proposals to improve the app.

The “Creating the Best Customer Experience” project

The main objective of this project is to promote a clientcentric culture among the employees of Sberbank. As part of this project, managers share their stories about providing service and assisting Bank clients and also support their colleagues by voting for the most interesting stories of clientcentric behavior. Every month, more than a thousand stories come to serve as the basis for the best practices in training to interact with clients.

The “Designing the ‘Checkers’ Set of Coins” project

The crowdsourcing project on Designing the “Checkers” Set of Coins invited clients to suggest ideas for coins and coin boxes. Several best proposals were selected following the project, and in February 2017 they were presented at the World Money Fair in Berlin.

Projects to Implement the Clientcentric Service Model

Every day, Sberbank seeks and collects feedback from its clients, promptly processes it, and uses the results to improve its quality of service. Each month, more than 6 mln clients participate in these surveys. The know-how of 2016 includes automated surveys on satisfaction with service quality, using 8 channels of service. In cases of low scores, we call clients to find out why they were unsatisfied. The CRM contact module Bank registers all client requests and that is run at the bank processes them in a unified system every day. To minimize reputation risks, we have developed a unique methodology to identify potentially “toxic” events based on Big Data and also organized a system to compensate clients for errors on the Bank’s personal behalf. To involve the Bank’s personnel more in the clientcentric model, we organized special projects for employees aimed at developing empathy. The client story contest with a monthly participation of more than 40,000 employees has already become a beloved tradition for employees of the front office. I like Sberbank, a motivational program with elements of gamification involving around 60 thousand employees, is also becoming increasingly popular. Design thinking is used in more than 40 projects in the Retail business that, among other achievements, recently launched UPLAB, a retail innovation laboratory.

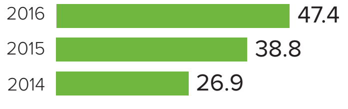
Developing Remote Customer Service Channels

Sberbank develops various service channels to better provide services to its clients. These include remote channels (Sberbank Online, Mobile banking text service), self-service terminals (ATMs, information and payment terminals), and customer service points (service offices, direct sales, Sberbank first).

Remote Service Channels

- Contactless payments via Apple Pay have been launched with the option of linking a card through Sberbank Online.
- Wallet from Sberbank has also been launched, which is the Bank's first retail mobile product outside of traditional financial services.
- Sberbank Online for Android launched the push notification feature for logins and operations in online banking.

Unique active clients of remote channels, mln



Unique active clients, mln people

	2014	2015	2016
Unique[1] active clients of remote channels, including Sberbank Online (web and mobile app), Mobile Bank text service, mln people	26.9	38.8	47.4
Sberbank Online mobile app clients	3.8	10.5	20.6
Sberbank Online web app clients	18.0	24.6	25.1
Sberbank Mobile bank text service clients	14.1	22.7	27.1

[1] Each client can use various remote channels: web and mobile Sberbank Online app as well as Mobile bank text service.

Self-Service Terminals

In 2016, Sberbank implemented a special client service plan that allows the visually impaired and blind to check, on their own, their card balance and withdraw cash from ATMs by using headphones and a Sberbank card. To date, the Bank has installed 2,940 such devices.

In 2016, the network of self-service terminals was reduced in accordance with the strategy of the Bank to transfer payments to alternative remote service channels, such as Sberbank Online and the Mobile Bank text service.

80.3 thousand Self-Service Terminals in Russia

Number of self-service terminals, thousand units

Customer Service Points

An important goal in 2016 was ensuring the effectiveness of employees in direct sales units in their personal contacts with clients. The personal contact provides maximum benefits as it opens the opportunity to make unique proposals that will interest the client and also analyze the client's response. For that reason, in 2016, the Bank implemented a new work model for direct sales specialists. Each specialist of this type is equipped with a mobile device and a tablet with the iServe application developed specifically by taking into account the needs of clients and employees.

The Bank has also implemented a number of other innovations. For example, it established a training program that introduces new employees to their functions directly at their new workplace. The operational function of services for legal entities is integrated into the branch network of the retail business.

The Bank implemented a system for the preventive management of operational risks in the branch network of the retail business, and it began operations measuring the risk atmosphere. It developed a scoring model that helps better predict the emergence of operational risk at points of service by processing various data on operations, processes, and employees. The Bank implemented a system of tasks for regional executives working with high-risk points of service that eliminates the causes of risk events. The implementation of this system helped Sberbank save RUB 91.2 mln rubles in its first year of operation by reducing the damages caused by operational risks in the retail network by 10%, and in high-risk points of service, by 30%.

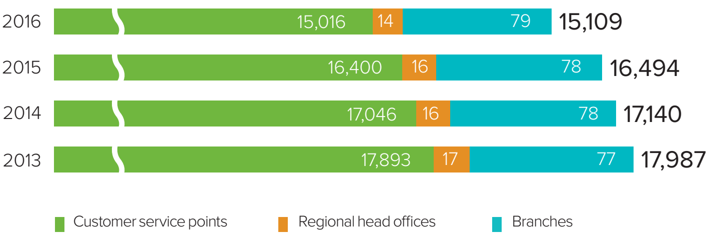
In 2016, Sberbank completed its project on paperless transactions with clients in the Bank's offices, using technology unique to the Russian banking sector. As part of the Paperless Front Office project, 40% of operations at points of service are conducted using paperless technology.

In 2016, during the implementation of the Reformatting Branch Network Units project in cities with a population of over 100 thousand, Sberbank opened 38 new banking services offices, 22 self-service offices, organized 23 mobile cash offices to serve remote rural areas, and closed 930 points of service branches. In cities, the Bank closed 874 branches mainly because their current location was inconsistent with established geomarketing criteria as well as because of unsatisfactory premises conditions. In rural areas, Sberbank closed 56 branches as a result of the accident-prone or unsatisfactory condition of its buildings.

Instead of closing outlets, mobile banking offices were opened in remote areas. In rural settlements with the relevant technical capabilities, the Bank is installing self-service terminals that allow clients to perform a full range of banking transactions. The access of individuals to banking services is also being increased with remote service channels, such as the text service and online banking.

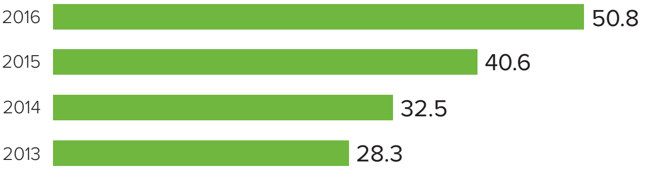
In 2016, the Bank began work on creating a Unified Sales Model based on geoanalytics data. The new technology will help increase the availability and efficiency of the office and self-service terminal network and better consider the individual needs of most clients. In 2017, the Bank plans to open 9 new branches, 129 branches will be moved to make their location more convenient and increase the number of clients, and 550 branches will be closed.

Total number of Sberbank points of service branches in Russia as of December 31



Cashless World

Share of noncash turnover via Sberbank retail transactions, %



50.8%
Share of noncash turnover via Sberbank retail transactions

The following factors primarily influenced the increase of the share of noncash turnover in Sberbank:

- The growth of noncash transfers, which in 2016 went up by 67%, with cash transfers increasing by 6%
- The growth of the share of clients conducting POS transactions by 8.2% during the year
- The increase of the share of noncash operations at points of service by 18.7%, and by 4.7% at self-service terminals

Noncash Payments by Telephone

In October 2016, Sberbank launched a joint project with Apple Pay to let clients pay with an Apple phone or watch at any terminal that accepts contactless cards or online. All users need to do is link a MasterCard to their smartphone. The launch was recognized as the best in the world. In November, the Bank also launched support for Samsung Pay. Over three months, clients of Sberbank made more than 6 mln transactions through Apple Pay and Samsung Pay.

Smart City

In October, Sberbank and the Government of the Republic of Tatarstan started a joint project for the first "smart" contactless and cashless city in Russia, the city of Zelenodolsk. More than 80% of retail and service outlets of the city are equipped with POS terminals and accept noncash payments, while 70% of adults received multifunctional city resident cards. The project received a diploma as a finalist of the National Payment Initiative, a contest for creating a cashless urban ecosystem.

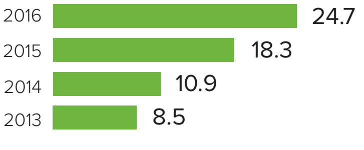
MSU Campus Card

In August, the Bank started its project for the MSU Campus Card at Moscow State University. The unique feature of this project is that these cards are embedded with three applications for campus, city, and bank services, where a single card is used to enter the university campus, log into the student's personal area, pay for purchases, pay for trips on public transport, and set appointments with doctors. Sberbank also deployed a cashless ecosystem at MSU that accepts cards to pay for meals and purchase items in retail outlets and vending machines.

Noncash Payments for Public Transport

The Bank is actively developing projects to organize noncash payments for public transport. The bank card can be used to pay for rides in the Moscow, Kazan, and Novosibirsk Metro as well as on buses in the Moscow Region, Saint Petersburg, Novosibirsk, and Krasnodar.

Number of clients participating in the "Spasibo from Sberbank" loyalty program, mln people



Spasibo from Sberbank

The Spasibo from Sberbank. Impressions. Allows users to use Spasibo bonuses to buy tickets to the theater, musicals, exhibitions, and museums. The Spasibo from Sberbank. Travel. Allows users to save money and exchange bonuses for discounts on plane tickets, hotels, and rental cars around the world. On average, 4,000 plane tickets per month are sold under this project. Overall, in 2016, the number of apps installed by the clients of this program increased fourfold and reached 1.5 mln.

Working with Groups of Clients in Need of Social Assistance

One of the best banks in the world for children and young people according to Global Inclusion Awards

Young people

Young people represent the most “satisfied” segment of Sberbank. In December, their NPS was 70%, which is the highest figure seen since measurements began as well as the highest at Sberbank. In 2016, the number of young clients increased by 7.7% to reach 8.86 mln.

Sberbank is currently implementing the strategy for working with young people it adopted in 2014. It makes great efforts to adapt the products and services of the Bank as well as the channels and communications methods for the youngest segment. In the reporting year, the portfolio of active Youth Cards exceeded 4.8 mln, which is the card held by 99% of new young clients.

As part of a joint project with Bank of Russia, Online Lessons in Financial Literacy: Market Professionals are Coming to Every School, more than 90 thousand Russian schoolchildren, including in rural and remote areas, learned about the benefits of today’s financial instruments and banking services. A similar offline project involved 23,000 students in major cities.

In 2016, Sberbank was recognized by the Global Inclusion Awards as one of the best banks in the world for children and young people for Ladoshki, a biometric system project designed to help pay for meals in the cafeterias of educational institutions with the palm of a student’s hand.

» More details about this project can be found at **ладошки.дети**

Senior citizens

As of January 1, 2017, 61.0% of Russian seniors receive their pension through Sberbank. The share of seniors receiving their pension directly to cards is 85%. In 2016, the Bank brought up to date and rebranded the loyalty program for its Active Age card, and now more than 9 thousand program partners offer discounts to the holders of this card. Also on the website, clients can buy tickets for travel at comfortable prices, learn about special offers in stores, and receive lots of other relevant information.

» More details about the opportunities offered by the pension card can be found on the program’s website at **www.sberbankaktivno.ru**

The share of seniors receiving pensions through Sberbank, %

61.0%

Share of pensioners receiving pensions through Sberbank

44.6%
of Sberbank's offices are adapted for people with disabilities

Special Bank
The goal of the Special Bank project is to create an ecosystem of products and services that takes into account the life scenarios and needs of clients with disabilities. Sberbank estimates that about 90% of people with disabilities in Russia are its clients. The Special Bank project is aimed at adapting the channels of interaction with these clients and developing new services and products for clients with disabilities.

Today, 44.6% of Sberbank's offices are adapted for people with disabilities and have special ramps as well as equipment for visually impaired and hearing impaired individuals, including ATMs with an audio input. More than 16 thousand Sberbank ATMs are located at lower levels for convenient wheelchair access, and 9.8 thousand ATMs feature Braille markings. In Sberbank, visually impaired people have access to a facsimile to process transactions. A number of regional banks (Moscovsky, Baikalsky, Uralsky) launched pilot projects to test Home Service, a new service channel, and a remote sign language service in some offices.

In 2017, the Bank plans to launch a program for consultations with a contact center specialist via remote service channels like online chat. This online channel is extremely effective for serving people with disabilities, as anyone with hearing and speech impairments will be able to get the necessary consultation and assistance directly on the website of Sberbank.

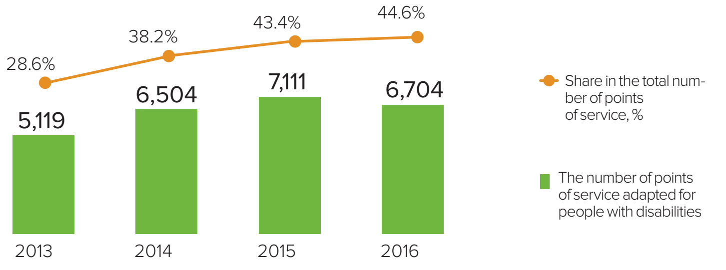
GERT Suits
This technology was designed to simulate age-related changes in the human body. The suit has a number of individual components attached to clothing, including a vest, armlets and knee wraps, gloves, special footwear, and special glasses and headphones. Together, these produce the effect of low sensorimotor activity, in particular, lens opacity, narrow visual field, high-frequency hearing loss, restricted head movement, joint stiffness, loss of physical vigor, reduced hand grip and grasp capacity, and the general impairment of coordination skills. Initially, the suits were used for the training of medical personnel at universities but turned out to be relevant for trade and services as well.

“That was very useful. We can make quite a few conclusions out of my experience in the suit. I think we'll also develop special products for handicapped persons to purchase such items as wheelchairs and many others.

Herman Gref
Chairman of the Executive Board

Sberbank has created a platform at **www.SpecialBank.ru** specifically for interactions between experts, people with special needs, and Sberbank employees.

Ensuring the Accessibility of Services for People with Disabilities



Sberbank tests its services and processes by using empathy simulators such as GERT age-simulation suits. This suit allows anyone to feel exactly like a person with disabilities, or just an elderly person, and get first-hand experience of how comfortable or uncomfortable this condition is for using various spaces and services, including in the banking area, allowing them to subsequently offer adequate and creative solutions based on what they experienced.