

INFORMATION BULLETIN

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**YOUR FRIENDLY
FINANCES**

NATIONAL PROGRAM TO IMPROVE
FINANCIAL LITERACY

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Dear colleagues!

This issue is devoted to one of the major events that have taken place in the Russian financial market over the past years — the issue of federal loan bonds (OFZ-n) for the population of Russia. It is a tool for developing financial education among Russian citizens, improving the culture of using financial products and services. This issue is actually a part of the Ministry of Finance of the Russian Federation Financial Education and Financial Literacy Project for the Russian Federation, like the All-Russia Week of Financial Literacy for Children and Youth. The results of the Week will be also summed up here.

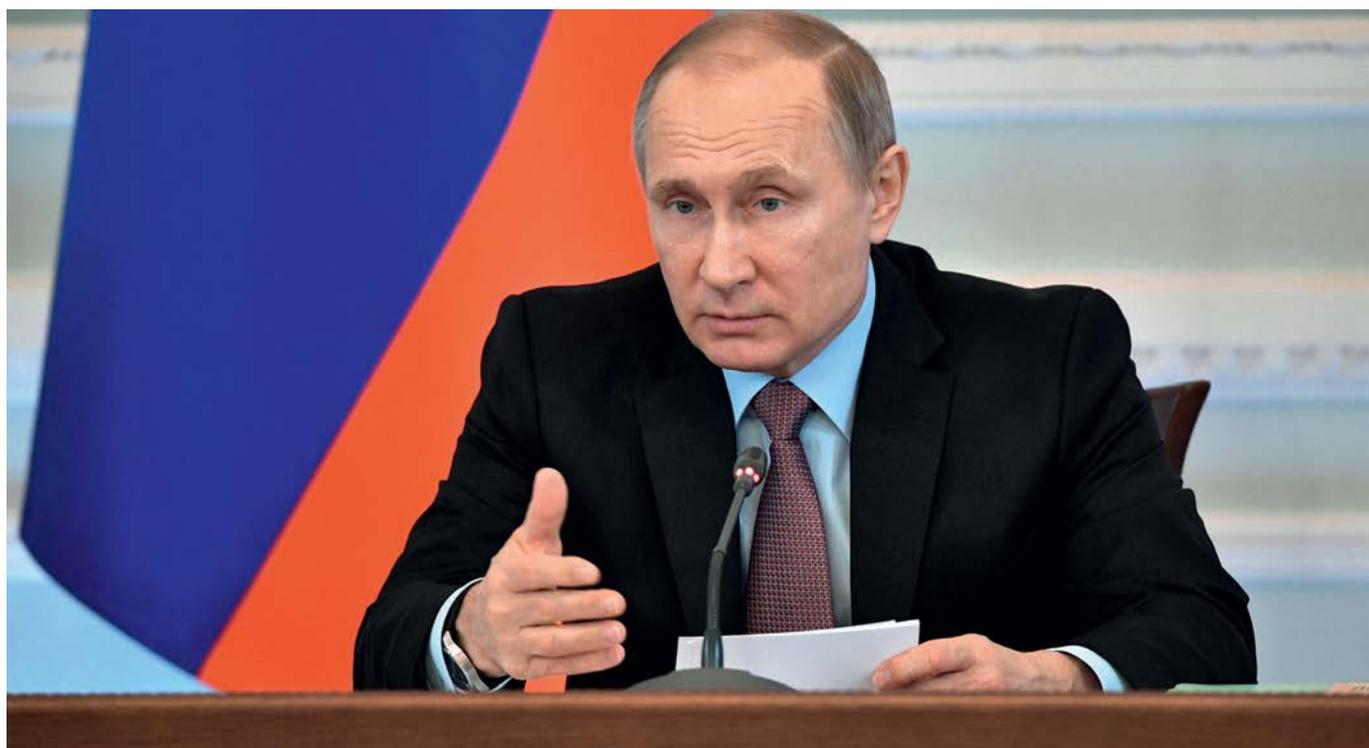
In fact, the Week has long ceased to be a “week”, as the respective activities will be carried out for much longer — up to June. It shows that project is already mature, that it has turned into the one of nationwide scale.

We have worked out a full-fledged set of education materials and training packages that make it possible to teach people belonging to almost any social group. The centers for financial literacy have started working in nine regions already. The range of stakeholders and partners of the project becomes increasingly wider, so we should obviously start thinking long-term and looking for opportunities of meeting this growing demand. Though much has been done, we are still at the beginning of the way. The work ought to be continued. We cannot stop in order not to lose all that has been achieved over two-three years after the completion of the project. Currently, we have prepared a national strategy in the field of financial literacy that offers the concept of where we should go over the next five-seven years. We expect this topic to gain momentum and the project to go further.



Andrey Bokarev

Director of Department for International Financial Relations at the Ministry of Finance of the Russian Federation, Director of the Financial Education and Financial Literacy Project for the Russian Federation.



VLADIMIR PUTIN: THE MAIN THING IS TO PREVENT PEOPLE FROM TAKING LOANS AT RANDOM

Those present at the meeting of the Russian State Council's Presidium chaired by President Vladimir Putin that was held in Nizhny Novgorod listened to report by Head of the Federal Service for Surveillance on Consumer Rights Protection and Human Wellbeing (Rospotrebnadzor) of the Russian Federation Anna Popova "On National System of Consumer Rights Protection". The document pays special attention to the issues of protecting the rights of financial services consumers, as well as the results of Rospotrebnadzor's activities within the framework of the Financial Education and Financial Literacy Project for the Russian Federation.

"It is impossible to solve all problems of consumer rights protection once and for all in a single way. These problems tightly correlate with the economic development and new products and services

launched in the market," Vladimir Putin said speaking at the meeting. "I will tell you straight off that the most acute problems are currently concentrated in the field of services, including financial servic-

es. The consumers of the so called "microloans" have to answer many difficult questions."

According to Rospotrebnadzor, positive practice of protecting



the rights of financial services consumers both administratively and in court has been recently developed in the Russian Federation, while the lawmakers have approved new basic legislative acts (the ones on consumer crediting and national payment system). However, very many citizens still cannot service their loans, and the share of debt arrears is increasingly growing. The reasons behind this phenomenon lie to a large extent in the fact that creditors take advantage of the financial illiteracy of the people.

“People borrow money not only due to some adverse circumstances. They often respond to attractive offers, yet have no resources for meeting their commitments. In fact, they often delude themselves due to their financial illiteracy. On the other hand, there are creditors who deliberately misinform people about the conditions of loan and chain of possible consequences. Eventually, the majority of borrowers inevitably slide increasingly deeper into the debt pit,” Vladimir Putin explained.

“The main thing is to prevent the situations when people take loans at random. Here, the information and legal awareness of people, as well as the development of financial services consumption culture among them come to the forefront,” the head of state believes.

“We should explain to them in detail how the institute of private bankruptcy is working, as it offers opportunities for getting rid of the debt bondage in a civilized way.”

According to the Central Bank of the Russian Federation, the share of debt arrears with regard to individuals being 90 days behind on payment on loans and other claims of credit organizations has risen from 4.6% to 9.4% over the period between January 2013 and April 2017 and reached 993.8 billion rubles. In some months of 2016, this share even reached 10.9%. According to the Federal Service of State Statistics, each Russian citizen, including babies and elderly people, owes 72,100 rubles to credit organizations (banks and microloan organizations) at the average. Moreover, if we take the data provided by the Russian Central Bank, we will see that the marginal annual interest rate for some types of loans has been set on the level of 799.156%.

EVERYDAY WORK



FINANCIAL EDUCATION IS ONE OF THE MOST IMPORTANT TASKS OF RUSSIAN FINANCE MINISTRY

Financial Education and Financial Literacy Project for the Russian Federation has been highly esteemed at the extended meeting of the Russian Finance Ministry's collegium.

Speaking at the extended meeting of the Russian Finance Ministry's collegium chaired by Finance Minister of the Russian Federation Anton Siluanov, President of the Center for Strategic Developments Pavel Kadochnikov gave a high appraisal of the Financial Education and Financial Literacy Project for the Russian Federation. The meeting was attended by Prime Minister of the Russian Federation Dmitry Medvedev, Chairman of the Board at the Center for Strategic Developments Alexey Kudrin, Governor of the Bank of Russian Federation Elvira Nabiullina, and Chairwoman of the Accounts Chamber

of the Russian Federation Tatiana Golikova.

"The Finance Ministry is a sort of school not only in terms of professionalism of its employees, including the former ones, but from the viewpoint of education as well. The Ministry implements a very important project on raising the level of financial literacy.

Over 130 schools currently offer training courses in financial literacy. 15 regions are active in implementing such programs, while 30 more regions will start implementing them soon.

It is a very important aspect. The Finance Ministry is successfully carrying out these activities jointly with the regions and training school graduates to equip them with skills required to find one's bearings in modern economic conditions," Pavel Kadochnikov stressed.

Financial Education and Financial Literacy Project for the Russian Federation was also presented at the collegium meeting. Having visited the respective booth, all those willing could learn the main results of work, pass tests in financial literacy, and look through the educational comic books devoted to financial topics.

PROJECT AT WORK

YOUR FRIENDLY FINANCES PROJECT AT FORUM IN SOCHI

In late February 2017, the National Program on Financial Education and Financial Literacy Project for the Russian Federation was presented at the Russian Investment Forum in Sochi.

Having visited the booth of the national program, one could check his/her level of financial literacy by way of filling-in an electronic form, and get familiar with the content of portal ВашиФинансы.рф, which is a public source of information dealing with personal finance and protection of financial services consumer rights.

The visitors also had a chance to test the application for analyzing the efficiency of family budget management through the use of a new financial instrument — the issue of federal loan bonds for the population of Russia. The application allows one to identify the strategy of financial conduct on the basis of incomes



and expenditures given, as well as the desired financial goal.

WantCanKnow Portal allows one to learn the information about the rights of financial services consumers.

For instance, the information provided deals with the algorithm of addressing Rospotrebnadzor in case of violation of rights, what one should know about bank cards, how to take a loan properly, as well as the details of compulsory third-party car insurance (OSAGO), voluntary third-party liability (DSAGO), hull insurance (KASKO), law on private bankruptcy, etc. As stressed by Director of Department for International Financial Relations at the Russian Finance Ministry, Director of Financial Education and Financial Literacy Project for the Russian Federation Andrey Bokarev, “though much has been done, we are still at the beginning of the way.”



OFZ-n — NEW OPPORTUNITY IN THE RUSSIAN FINANCIAL MARKET

The sale of three-year federal loan bonds for the population of Russia (OFZ-n) started on April 26, 2017. These bonds are intended for providing an inducement to save money and promoting the financial literacy of Russian population. Besides, this reliable state instrument of investing money is expected to boost competition in financial market, thus making the banks raise the quality and affordability of their products and services.

Commenting on the new financial instrument, Russian Finance Minister Anton Siluanov said: “We want to make this instrument interesting and attractive for our citizens. It will be more profitable than both deposits and federal loan bonds (OFZ) for professional investors. This project is aimed not so much at raising funds for the treasury, as at testing the market. One can certainly bring his money to the bank and gain interest, yet the banking system is rather subject to changes today. Besides, the state guarantee covers only bank deposits of up to 1.4 million rubles, while OFZ-n bonds are 100% reliable and promise higher yield if compared to bank deposits. I think that this instrument will find its buyers among Russian citizens... We expect it to become popular among people,” the head of Finance Ministry said, presenting the new instrument at the Rus-

sian Investment Forum in Sochi. “Our expectations are based on the grounds of, first, the simplicity of operations with bonds and state guarantee of repayment, and, second, attractive yield and low level of risk.”

Nominal value of OFZ-n is 1000 rubles, circulation period — 3 years, yield to maturity — up to 8.5% annually.

The bonds are offered only to Russian citizens. Any Russian citizen can buy them in the quantity of 30–15,000 pieces. Sberbank and VTB-24 have become partners in the distribution of these bonds.

The bonds can be bequeathed or presented for early redemption. However, the interest is not accrued if the bonds are presented for early redemption within the first year after purchase.

A great advantage of OFZ-n bonds lies in the fact that they are not traded in the secondary market, which eliminates the risks associated with changing market demand. They are to become a more reliable investment than bank deposits, as the holders of bonds can gain coupon yield twice a year, while the interest rates increase throughout the period of ownership and exceed the interest rates typical of bank deposits.

In case of stable demand for these bonds, the state may issue 15 billion rubles worth of securities more (according to the Russian Finance Ministry, the potential issuing volume for OFZ-n is 20–30 billion rubles annually). The representatives of Russian Finance Ministry do not rule out that the sale of the second issue may begin earlier than half a year after the first one.

Promising Start

Initially, the Russian Finance Ministry split the first issue of OFZ-n worth 15 billion rubles between two agents — Sberbank and VTB-24 — in equal shares. However, by the middle of May, Sberbank had almost exhausted its share and reported about being ready to sell 2.5 billion rubles worth of bonds more. The Russian Finance Ministry decided that Sberbank was to sell 10 billion rubles worth of OFZ-n, while VTB-24 would take 5 billion rubles worth of bonds. As of the close of the business day of May 17, 10.3 out of 15 billion worth of bonds have been sold, which is equal to 68.9% of the issue. “In case the current pace of bond placement remains, we expect both banks to sell the rest of OFZ-n almost simultaneously,” Director of the Public Debt and State Financial Assets Department in the Finance Ministry of the Russian Federation Konstantin Vyshkovsky said. Officially, the offering period for the issue is to close in October 2017.

BANK DEPOSITS VS. OFZ-n

OFZ-n offer higher yield if compared to the majority of bank deposits. Moreover, the repayment of the whole amount is guaranteed by the state.

	BANK DEPOSIT ¹	OFZ FOR POPULATION (OFZ-n)
PERIOD	<ul style="list-style-type: none"> • 1 year maximum • 1 year — 3 years • 3 years minimum 	3 years
EARLY REPAYMENT OF FUNDS INVESTED	Possible with payment of yield based on call money rate	Possible (by way of presenting bonds for buy-out by the issuer at the purchase price, which is not higher than nominal value): <ul style="list-style-type: none"> • within the first 12 months of ownership — with loss in interest yield (gained coupon yield and accrued accumulated coupon yield); • upon the expiry of first 12 months of ownership — without loss in interest yield (gained coupon yield and accrued accumulated coupon yield).
TYPE OF INCOME	Interest on savings <ul style="list-style-type: none"> • 1 year maximum — 6.7% • 1 year — 3 years — 7.2% • 3 years minimum — 8.5%² 	<ul style="list-style-type: none"> • Coupon yield identified on the basis of interest rates increasing over the period of ownership; • Difference between purchase price and nominal value.
FREQUENCY OF INTEREST RATE PAYMENTS	1/3/6/12 months or at the end of the period	6 months

Detailed information about OFZ-n can be found on websites:

www.minfin.ru, вашифинансы.рф

¹ According to the data of Bank of Russia (as of 01.01.2017), on the basis of information provided by 30 major banks of the Russian Federation.
² Average weighted interest rates.

SPECIAL FEATURES AND ADVANTAGES OF OFZ-n



Unlike the bank deposits, the state guarantees repayment of the whole amount without limitations;



Good alternative to bank deposit for medium-term savings;



Income is increasing over the period of ownership;



Bonds offer higher yield than bank deposits, in case the period of investment is 2 years minimum;



No loss in yield accumulated during the period of ownership in case of early repayment upon the expiry of 12 months of ownership; guaranteed repayment of invested funds within the first 12 months;



Easy to buy at the offices of agent banks — Sberbank and VTB-24 — or via one's personal account on their websites.

NEW FINANCIAL INSTRUMENT

HIGH-YIELDING INSTRUMENT HAVING NO ALTERNATIVE



On April 26, the day when the sale of federal loan bonds (OFZ-n) started, Russian Finance Minister Anton Siluanov told the journalists about the issue program, as well as reliability and yield of this instrument.

Today, we have started the sale of federal loan bonds for individuals. The average income that the owner gains will exceed the income offered by both existing bank deposits and bonds issued for investors. The yield will amount to about 8.5%, which is twice more than the forecasted inflation rate.

The bonds are issued for the period of three years, and maximum yield is gained if the security is redeemed upon the expiry of respective period. If the owner prefers early redemption, such an option

is provided without loss in nominal value. One can always return the amount he/she has invested.

I offer this new instrument to all citizens who are interested in buying it, especially to the ones who save money at home and are ready to invest it for a long term. The money will be reliably invested, while the yield

will remain high over the period of three years.

Unlike the bank deposits, investments in state bonds are actually risk-free. Naturally, the majority of banks can boast of good financial results, yet in case the license is revoked, the state guarantee covers only deposits of up to 1.4 million rubles. Having chosen bonds, one can invest up to 15 million rubles. OFZ-n is a risk-free, highly reliable and high-yielding instrument having no alternative.

POPULAR BONDS ARE SAFE INVESTMENT



In the interview to Komsomolskaya Pravda, Russian Deputy Finance Minister Sergey Storchak dwells upon why the state has issued “popular” bonds, and what risks the holders of these securities are running.

— **Sergey Anatolyevich, popular state bonds have hit the market. What for does the Finance Ministry borrow money from the people?**

— We do it not because of economic problems and running short of money. The amount that we expect to raise in this way is about 15 billion rubles. This money is not enough to cover the budget deficit.

— **Why then? This instrument is actually similar to a bank deposit.**

— We create an alternative to deposits. The people keep trillions of rubles on deposits. Yet, deposit agreements are usually

concluded for the period of one year, while the bonds feature the period to maturity of three years. It allows us to expand the range of financial instruments available to individuals.

— **What is the difference between these bonds and the ones traded in the market already?**

— They cannot be resold. One can only return them to the bank. However, in this case, the yield will be either equal to zero or lower than expected.

— **What is the yield of these new securities?**

— We were guided by the market value of the classic state bonds. Currently, the yield amounts to about 8% annually. We have added half a percent. If one holds the bond for three years, he/she will gain 8.5% annually or 25.5% for the whole period, which is much more than the income offered by the market of bank deposits.

— **Which of the instruments is more risky: bank deposits or state bonds?**

— The risks are higher in the banking sphere if compared to the market of state bonds. Investment in bonds is actually risk-free.

INTERNATIONAL EXPERIENCE

ADOPTING THE MOST VALUABLE PRACTICES

The best practices of OECD countries in the field of raising the level of financial literacy were summed up at the plenary session of the 3rd Annual International Conference in Financial Literacy and Financial Inclusion FINFIN 2017 that was held in February in Moscow.

The level of financial literacy is still fairly low in the world. “At the average, only 60% of adults maintain household budget, and only 50% of them set long-term goals and try to achieve them,” Head of Financial and Enterprise Affairs Department, OECD, Flore-Anne Messy said presenting the review of best practices.

Head of the Banking Conduct Supervision Department at the Banco de Portugal Maria Lucia Leitao dwelled upon the results of a project on raising the financial literacy of population launched in 2011. “Holistic approach is important,” she stressed. “We should make an assessment of everything — textbooks, materials, background of teachers, as well as conduct national surveys.”

Sue Lewis, Chair of the Financial Services Consumer Panel at the UK Financial Conduct Authority (FCA), pointed to imbalance between the interests of commercial companies and consumers. “Our experience shows that clear

goals of work are required, while the regulating authority should bear responsibility for the result achieved. At the same time, the plans ought to be approved by all stakeholders,” Sue Lewis stressed.

Rolf Behrndt, Regional Manager for the Access to Finance Business Line in Eastern Europe and Central Asia, stressed that the reason behind high household debt load in Russia lies in poor culture of savings.

“The peculiarity of our work lies in the interrelation between raising financial literacy and protecting consumer rights. That is why the Russian Finance Ministry is active in cooperating with Rospotrebnadzor and the Central Bank of Russia,” stressed Anna Zelentsova, Strategic Coordinator of Financial Education and Financial Literacy Project for the Russian Federation. “It is important for us to turn the national strategy of raising financial literacy into a real call for joint actions of all stakeholders.”



OUR AWARDS



AWARDS OF THE HIGHEST WORLD LEVEL

Following the results of 2016, the Financial Education and Financial Literacy Project for the Russian Federation has become the winner of several international contests.

Russian project won the first prize at Child & Youth Finance International (CYFI) Global Inclusion Awards 2016 for the demonstration of innovative approaches to training children in financial literacy within the framework of the National Financial Week for Children and Youth 2016. Russia was nominated for CYFI Award for the first time in its history and had an honorable victory. The competition was tough — 15 projects chosen from the ones presented by 132 countries qualified for the final round, apart from Russian project. In 2016, over 40,000 events covering almost 1 million children from 83 Russian regions were held within the framework of the Week. The jury made a pointed reference to the results of the Russian Week: diversity of formats and great num-

ber of participants — over 11% of all those involved in the Global Money Week 2016. “This award is a reason to think about organizing something of a broader scale, a more efficient and interesting project for the Russian children,” Deputy Director of Department for International Financial Relations at the Russian Finance Ministry Anna Valkova (photo below) said.

In April this year, Financial Education and Financial Literacy Project for the Russian Federation also won a Merit Award in the Special Events category at Gold Quill Awards of IABC — organization comprising over 16,000 companies all over the world. “The Gold Quill prize is the evidence of outstanding work, innovations and creative approach,”

President of the Jury Lynn Barter said.

Moreover, these are not the first awards that the Project has won. In 2016, the All-Russia Week of Savings won the first prize at the Gold Quill Awards in the State Communications category, as well as a prize of SABRE Awards.



TOPIC OF THE ISSUE



FINGRAD IN MASTERSLAVL

The opening ceremony of the 3rd All-Russia Week of Financial Literacy for Children and Youth took place in Moscow-based Masterslavl (children's town of masters). The Week was launched by Russian Deputy Finance Minister Sergey Storchak and Head of Rospotrebnadzor Anna Popova.

The Russian Week is held within the framework of Global Money Week. "We are in step with other countries and even outpace them in terms of many indicators," Sergey Storchak said.

In terms of international standards, Russian school-children can boast of rather a high level of financial literacy. They are on par with children from the USA and Finland

in terms of knowledge. The new Week is aimed at helping the young generation become skillful and efficient financial service users.

Over 1 million children and their parents took part in the events of the Financial Literacy Week last year. “This year, we expect more people to take part, as the events are held not only in the capital, but in the regions of Russia as well. It will enable children and their parents to gain experience of efficient and safe finance management and consumer rights protection,” Sergey Storchak said speaking at the ceremony.

Anna Popova stressed that teaching children is the best way of training all generations. A kid knowing how to effect online payments can teach his/her grand-

mother to do it, for instance. She said that by 2025, e-commerce will account for 20% of the market, so people should acquire the required knowledge and skills right now.

During the period of the Week, Masterslavl turned into a village of financial literacy, Fingrad, while the country appeared to become the arena for thousands of events — lessons, lectures, quests, games and contests. At the opening ceremony, the organizers summed up the results of a contest for children’s essays devoted to the topic “How I will Spend My First Salary”. Authors of the best papers came to Mas-

terslavl from different Russian cities and received their awards. They could also take part in the press conference and address their questions to honored guests. The kids were interested in such issues as what is required to become a business-woman, why financial literacy is necessary for creative people, and how to make one’s first money.

Sergey Storchak took a walk around Fingrad, while the children told him about the rules for safe use of plastic cards, demonstrated how ATM machines are working, and discussed with him the convenience of using e-money.

The All-Russia Week of Financial Literacy for Children and Youth is held within the framework of the Financial Education and Financial Literacy Project for the Russian Federation implemented by the Russian Finance Ministry in cooperation with the Ministry of Education and Science of the Russian Federation and Rospotrebnadzor.



QUESTS WERE TO EVERYBODY'S LIKING

Financial quests have become a “trademark” of the 3rd All-Russia Week of Financial Literacy for Children and Youth. Quest is a new game format allowing the maximum involvement of all participants.

In the regions, the Week was opened with a series of quests — hundreds of school-children and students took part in these exciting and useful games in nine Russian regions at once — in Altay, Krasnodar and Stavropol territories, Arkhangelsk, Volgograd, Kaliningrad and Tomsk regions, as well as in the Republic of Tatarstan.

“Everybody has got rather tired of lessons and lectures, so the organizers suggested a new entertainment format that en-

ables boys and girls to learn new things while communicating with each other,” organizer of quest Yekaterina Gotovtseva says. This format was already tried in several regions in 2016, while in 2017 it was decided to practice it on a nationwide basis.

In the majority of regions, quests were held in parallel with the opening ceremony of the Week, so not only organizers, but heads of the regions and regional higher educational establishments as well had a chance

to welcome the participants of the game.

Deputy Finance Minister of Kaliningrad Region Anatoly Gorkin even acted as an expert in one of the rounds of the game.

Boys and girls were answering questions about the meaning of such terms as deposit, credit, economy, budget surplus, as well as solving practical problems. At other stages, they had to identify which country certain currency belongs to and even develop and present their own web projects.

“Unfortunately, the children currently have almost no skills in analyzing what they have read or seen. That is why an emotional approach is needed. They will never forget what they have lived through themselves,” regional coordinator of financial literacy program in Stavropol Territory Nadezhda Gerasimenko adds. “For instance, they will remember the emotions triggered by the loss of money and be careful with spending it in the





future. Quests create emotional anchors that facilitate realization, analytical thinking and understanding.”

“I like the quest very much! We have learned many new things, for instance, how to make purchases online, and what actions one should be watchful of. We have seen the drawings of the oldest coin and the banknote having the highest nominal value in the world. Now,

I can parade my knowledge in conversation by way of asking, for instance, the following question: ‘Do you know that China was the first in the world to use paper money?’,” one of the participants from Stavropol Territory told Komsomolskaya Pravda.

All boys and girls share the opinion that such events should be held more often.

“Financial literacy is needed every day,” Deputy Finance Minister of Stavropol Territory Yuri Suslov believes. “One should be careful in spending money in order not to get involved in risky financial projects. We have achieved the goals set. The quest was a success. Let us implement the program further.”

After completing the quests, all participants of the game received memorable gifts, while the winners were awarded with prizes.

EVENTS OF 2017 WEEK



EXCITING JOURNEY

VDNKH Expo Complex hosted a master class *Travel to the World of E-Money*, which enabled the children to learn about potential of online payments, principles of budget management with the help of smartphones and on the basis of investments.

Manager for Educational and Partner Programs at QIWI FINTEEN Elena Lutsenko dwelled upon what a financially literate person should know. She stressed that not all of the children nowadays are capable of managing finances properly. They spend money on buying chewing gum, sweets and ice cream, as a rule. Only few kids pay for mobile phones and indulge in such entertainment as visits to the cinema or a park.

Product Director at PandaMoney Yekaterina Trushina highlighted

the potential of digital money box for smartphones. Head of PR Department at Yandex.Money Yevgeniya Arnautova shared the information about the rules of effecting safe online payments and measures for protecting bank accounts from fraudsters:

“You should never tell anybody about the card data, like passwords or pin codes. If someone of your friends asks for money in a written message, you should better call him/her back and verify his/her identity.”

Executive Director, Head of Department for Development of Remote Service Channels Platform at Bank XXI Anton Todosiychuk told children and students how to manage one’s assets in order to accomplish the objective set.

For instance, the CoinKeeper mobile application allows one to draw up the monthly budget, economize, perform successful financial planning, avoid excessive expenses and learn how to save money for buying gifts or making purchases.

EVENTS OF 2017 WEEK

NON-FABULOUS STORIES

Children's book writer Valentin Postnikov met young readers.

During his visit to Masterslavl, he recited cheerful verses, told children about the characters of his books, as well as highlighted the history of money and explained how to spend cash. "We should teach kids to manage money properly as early as possible," Valentin Postnikov says. "When my wife and I gave pocket money to our son, a first-form schoolboy, for the first

time, he would tire heart out of us asking about what he could buy with this amount, and how much change he was to receive... I explain to children whether 100 rubles are big money or not. I say, for instance, that this amount is enough to buy two chocolate bars or travel by subway two times and recommend saving pocket money instead of wasting it."



CONCERT FOR SMALL KIDS



Composer Grigory Gladkov sang his most famous songs on the site of Masterslavl.

Those attending the festival in Masterslavl remembered their favorite cartoons, like Plasticine Crow, In the Pencil Box,

The Story of Vera and Anfisa. Then the composer highlighted the rules of financial literacy to young participants, and told their parents how to teach their children to manage money properly. "You should send kids shopping from the earliest infancy, as they ought to know how to choose products meeting the family budget and count change," Grigory Gladkov says. "Besides, you should train them to use bank cards, as it is the safest method of keeping cash assets and an opportunity of gaining bonuses. I have already traveled abroad for free twice thanks to the accumulated miles."

MONEY, CHILDREN AND PARENTS

Partners of the Week carried out a number of activities of different formats for children and their parents — from information distribution campaigns to games and educational actions.

Theory and Practices

In April, Anderson, a Moscow-based family café, hosted a meeting organized by Home Credit Bank and Domashny Ochag magazine, which invited experts, children and their parents to discuss how to organize financial education from an early age. Editor-in-Chief of Domashny Ochag Natalia Rodnikova and TV presenter Tutta Larsen dwelled upon

how kids build relations with the world of money. Adviser of Department for Assistance in International Development at the Russian Finance Ministry Elena Ilyina stressed that over 33% of children in Russia are not involved in the process of accounting incomes and expenses of their family budget. According to Director of the Institute for Financial Planning Yevgeniya Bliskavka, over 80% of Russian citizens have no experience of rational saving. The age suitable for teaching commer-

cial relations to the children, the proper way of presenting information in order to develop informed attitude towards money in kids — these are only some of the issues raised during the discussion.

Financially Literate Dinner

600 fast-food restaurants of the KFC chain introduced a special offer — Financially Literate Dinner — to their menu for the



Photographer: Yulia Mayorova





period between April 4 and June 5 to support the All-Russia Week of Financial Literacy. Within the framework of this campaign, the KFC restaurants offer a set of the most popular products at a special price. According to the chain, over 15,000 Financially Literate Dinners are sold daily. The visitors choosing such a dinner in restaurants located in Moscow, Moscow Region, Barnaul, Kazan, Volgograd, Krasnodar Stavropol, Saratov and Ufa receive leaflets devoted to financial literacy, Protect Your Wallet. 135,000 leaflets have been distributed for the past period.

Along with the distribution of leaflets, all of the KFC restaurants display the information about the Financially Literate Dinner on special mini boards featuring the Week's logo. The audience includes over 10 million people. The cumulative reach of publications devoted to the Financially Literate Dinner on the website of KFC and the company's accounts in social media has exceeded 1.8 million visitors.



Life is but a Game

On April 22, the Cultural Center of ZIL Plant hosted the first family festival, PRO Money, organized by R.I.M. Porter Novelli, Institute of Financial Planning and FinProsvetClub (Club of Financial Education). The events held within the festival's framework included the exhibition devoted to the history of money and a "workshop", where children were engaged in drawing, modeling, sewing and even baking bread to sell their products for the local "currency" later. Prominent experts delivered lectures on



financial education to the adults and shared their own experience in this field. Fictional character Ergosha explained to kids how to plan the family budget on behalf of ERGO Insurance Company. The specialists of Home Credit Bank delivered a lecture, Age of Three Years Is the Right One for Financial Education, and presented a table game, Useful Money. Actors from Molodezhka television series Vlad Kanopka and Ivan Mulin dwelled upon the importance of financial literacy. The festival obviously suited the taste of both children and adults, who left the Cultural Center of ZIL saying: "We will definitely come here again, won't we?"

REGIONS TUNING UP THE PROCESS

The preliminary results reported by the key regions of the Project show that this Week will outpace all of the past weeks in every measure.

Altay Territory: Bringing Generations Together

In Altay Territory, the number of people participating in the events of the Week has grown four times if compared with 2016 to over 14,000, while the number of events has increased almost seven times to 344. Following the results of the Week, regional media published over 70 articles and other materials.

Festival for women devoted to financial literacy, For Financial

Health, has become one of the most important events of the Week in Altay. It was held within the framework of series of lectures, CLEVER Lecture Hall for Modern Mothers, organized by the Finance Ministry of Altay Territory jointly with instaMOTHERS of Barnaul community. Director of the Institute for Financial Planning Yevgeniya Bliskavka acted as a key speaker of the festival. Business game, Useful

Money, was organized for children. It was developed on the basis of the book by Yevgeniya Bliskavka, Children and Money. The kids demonstrated their ability of managing the family budget. Besides, the authorities of the region organized the Financial Literacy Championship among the schoolchildren and Academic Olympics in financial literacy for pupils of 9th–11th grades.



Arkhangelsk Region: at a Good Bat

Arkhangelsk Region is one of the flagship regions of the Project. This year, the region has demonstrated substantially better results. Over 1,000 events were held, while the number of participants rose from 27,000 in the past year to 46,000 this year. The Ac-

ademic Olympics in financial literacy held at the Lomonosov Northern (Arctic) Federal University (NARFU) has become the key event of the Week. Numerous business and interactive games involved not only schoolchildren, but their parents as well.

The Week concluded with a traditional exam in financial literacy among students of NARFU and pupils of 8th–11th grades. The examination was held at the Arkhangelsk Regional Institute of Open Education via videoconferencing. 753 people took the tests.



Volgograd Region: Wide Reach

Volgograd Region managed to break the local record once again: over 2,500 events were organized there within the framework of the Week. The total of 165,857 children and 16,290 adults took part in them. The range of topics was rather broad — from the games devoted to financial subjects to lectures

teaching how to work at the stock market. The Week concluded with a spectacular event — the final round of the 3rd Regional Contest, Financial Literacy of Youth.

424 people from 115 institutions applied for participation in the competition. The authors of 133

best papers qualified for the final round.

Teachers attended a training workshop devoted to the challenging issues of methodology for teaching financial literacy, insurance and consumer rights protection, as well as media coverage of these activities.



STORIES FROM REGIONS

Kaliningrad Region: Expanding Geography

The number of those taking part in the events of the Week in Kaliningrad and Kaliningrad Region exceeded 60,000 people. Two quests were organized there — at the Center for Talented Children Development in the village of Ushakovo and in

the Western branch of RANEPA in Kaliningrad.

The Week concluded with the final round of the interschool tournament in the table game, Money Cannot Buy Happiness, developed last year. The children from all

schools of the region had competed since March. The teams of 12 schools qualified for the final round. This game is similar to Monopoly, yet it is played by teams, while the success is measured by the level of personal happiness, instead of money earned.



Krasnodar Territory: There is Time for Business at Leisure

This year, Krasnodar Territory hosted 1,200 events, four times more compared with 2016. They were attended by over 24,000 children. Open lessons were organized for the parents as well.

The closing ceremony was held at the same time with “financial competitions” among students of higher and professional educational establishments.

All winners were awarded with valuable prizes and gifts handed out by Deputy Governor of Krasnodar Territory for Financial, Budget and Economic Policy Igor Galas.



Saratov Region: Serious Approach

The authorities of Saratov Region held almost 900 events with over 27,000 people attending them. Students' academic conference, Relevant Problems and Modern Trends of Socio-Economic Development of the Region, was among the most noteworthy events of the Week. 200 school-children and students made presentations at the forum.

Economic Education in Modern Conditions: Relevant Topics, international academic conference held at Saratov Socio-Economic Institute under the Plekhanov Russian University of Econom-

ics, attracted 80 teachers from Russia and the CIS countries. The forum was devoted to the issues of financial culture, financial literacy and financial education. The Stolypin Povolzhsky Institute of Management hosted the workshop Laboratory of Financial Literacy. Directors and teachers took part in the working meeting with the representatives of Russian Pension Fund, Department of the Federal Tax Service for Saratov Region, managers of financial institutions, while kids played financial games, solved problems and studied cases.



STORIES FROM REGIONS

Stavropol Territory: Cheerful and Friendly Atmosphere

The events held within the framework of the Week in Stavropol Territory looked rather creative. Along with lectures, the organizers prepared a lot of interesting projects, like the contest of theater and variety sketches and the Fingram KiViN-2017 game.

Gaming machines are considered the best tools for promoting financial literacy in the region. “These events are aimed at teaching youth to use financial instruments,” Deputy Finance Minister of Stavropol Territory Yuri Suslov specified.



Republic of Tatarstan: Taking Care of the Future



As for Kazan, the key events of the Week concentrated in KidSpace, town of professions.

Deputy Chairman of Committee for Culture, Science, Education and Inter-Ethnic Relations at the State Council of Tatarstan Anastasia Isayeva congratulated the children with being part of the Russian and international movement.

“Almost 3 million children are currently taking part in similar activities,” Anastasia Isayeva said. “You will understand that one should not only spend money, but earn it as well. Moreover, money ought to be spent wisely.”

Tomsk Region: Not Only Consuming but Creating as Well



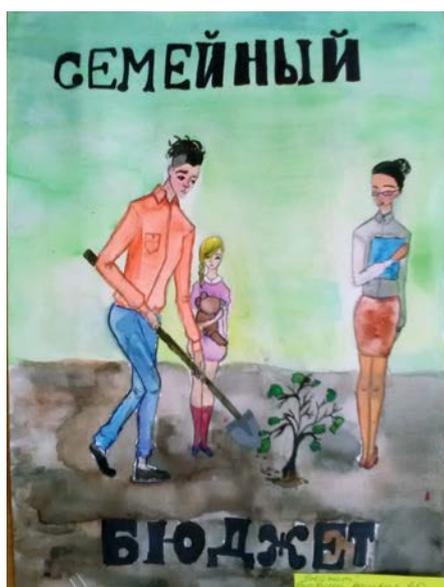
The flagship event of the Week in Tomsk Region — Your Personal Finance festival for children and youth — was held at the building of Tomsk-based Philharmonic Hall. In the Great Hall, the children could see Neznaika in the Country of Finance performance with a story similar to Neznaika on the Moon, yet without satire and close to the realities of modern life.

The pupils of 5th–6th grades took part in the economic game, Golden Caravans, on the first floor of the building. All participants of it acted as merchants of the

ancient world. Using the start-up capital given to them, they buy and sell goods in five regions — Phoenicia, India, China, Africa and Egypt. The Small Hall hosted the ceremony of awarding prizes to winners of the regional contest, I — Finance — World. Grand Prix was awarded to two girls, fourth-grade pupils of Gymnasium No.29 — Yelizaveta Grishko and Sofia Kostesha. Their studies devoted to the topic “Circulation of Money in Schoolchild’s Pocket” resulted in a financial game that they presented at several schools of the city.



CONTESTS OF 2017 WEEK



THE BEST AND FINANCIALLY SUCCESSFUL

Many unique thematic contests were developed for the 3rd All-Russia Week of Financial Literacy for Children and Youth. Practice showed that such an approach proved its value — a lot of people applied for participation in them.

The drawing contest for 6–12-years-old kids started even before the official opening ceremony of the Week took place. The competition was something out of the ordinary as the participants were not only to draw the world around them, but link the drawing to finance, i.e. depict “the financial world”. 735 children from all Russian regions applied for participation in the contest.

Those who preferred hand crafts to drawing could take part in the Ruble Sign contest. “There are so many interesting coins in the world! Russian currency is called Ruble. Like any other currency, Russian Ruble has its own sign or symbol. Let us use our imagination and make the Ruble sign from different materials! Share your work with us and take part in the Ruble Sign contest,” the address to potential

competitors said. There were many participants — the jury had to consider 462 applications.

All contests were announced in media and could boast of online support on the Вашифинансы.рф portal. Some of them were even held in social media.

Within the framework of the Global Money Week, Facebook, VKontakte, Odnoklassniki and



Instagram launched the follow-up of the last year's flash mob, My Money Box.

Prizes were awarded for the publication of the best selfies with one's own money box.

Those willing could make a selfie without a money box as well as the Olympic principles say that one should focus on the journey, not the destination.

So the selfies had to feature just the symbols of the Week and respective hashtags. For such images, a separate contest was organized. In some regions, prizes were awarded for the number of "likes" collected.

One more event was All-Russia Contest of Rap Musicians, Reading out about Finance. The young people were to tell (sing, to be exact) about their relationship with money. In their presentations, they explained how to earn money, save it, and spend cash efficiently in order not to get into a mess.

The task was not easy — to write a song and record a video clip within a short timeframe. Nevertheless, over 30 music compositions were chosen for participation in the competition.

The songs were sent from all corners of the country — large cities

and distant villages. The compositions chosen included not only videos with voiceover, but professional clips featuring unique stories as well. Among the authors there were different people — from a boy of 8 to musicians at the age of 20. As for the jury, the organizers invited not only financiers, but famous young singers as experts.

The winner will gain a unique chance of recording his/her soundtrack in a professional studio jointly with a famous musician and sing his/her song from the stage during the closing ceremony of the 3rd All-Russia Week of Financial Literacy for Children and Youth.



PERSONAL LESSONS:

1. Never take out loans on security of the only property.
2. Always read the agreement, especially the section devoted to penalties and dates of crediting money to the bank account.
3. Be careful while choosing banks.
4. Plan your income and expenditures, especially if the income is irregular and unstable.
5. Agree to accept aid when there is only one step left to catastrophe.

HOW FANS REPAID LOANS OF ACTRESS YULIA AUG, WHO HAD LOST HER HOUSE AND HUSBAND

In 2008, the family of actress Yulia Aug — audience knows her for playing the roles of Empress Elizabeth in television series *Katherine the Great* and mother in *(M)artyr* by Kirill Serebryannikov — faced financial problems. To solve them, her husband Andrey took out a loan for starting his own business. However, his business went broke, and Andrey could not live through that. How not to lose hope being left alone, without housing and with debts worth millions of rubles? Yulia told *Sravni.ru* her story.

We will quote some extracts from her story, which serve as evidence of the fact that everybody, including “stars”, needs knowledge in the field of financial literacy and skills of responsible financial conduct.

“We were terribly short of money. So Andrey... decided to start his own business — a wholesale company dealing with supplies of flowers... and therefore needed a start-up capital. The banks turned down his applications for credit... So my husband found a person... to borrow 4 million rubles from... on security of our house... Andrey was the owner of this property. He certainly could

not mortgage the house without my consent as we were officially married, but I gave the respective permission.”

“In August 2012... Andrey told me that his company had gone bankrupt... In order to save the situation, in November 2012, Andrey took out some loans in my name to repay at least a part of the debt to the creditor... We managed to repay over 2.7 million rubles... However, we still had to give our house away in November 2013.”

“Due to all that had happened, Andrey could no longer work... Then he died... Over the next four

years, I had to think all the time about where to earn or borrow some money. Finally, I lost my health... I just wanted to lie down and die.”

“On December 30, 2016, a post with a call for help was published on Facebook with my consent and with the address of my account page being mentioned. People started transferring money to me... Many of them would write kind words and wish luck to me, while others would thank me for my work. Over the New Year holidays, I managed to accumulate the amount required and repaid all loans. Yet, do I feel better?...”

Read the full text of the story on *Sravni.ru* at: www.sravni.ru/novost/2017/4/27/kak-poklonniki-pogasili-kredity-poterjavshej-dom-i-muzha-aktrisy-julii-aug/

PARTNERS OF 3RD ALL-RUSSIA WEEK OF FINANCIAL LITERACY FOR CHILDREN AND YOUTH

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