



**Tinkoff**

November 2020

# INVESTOR PRESENTATION





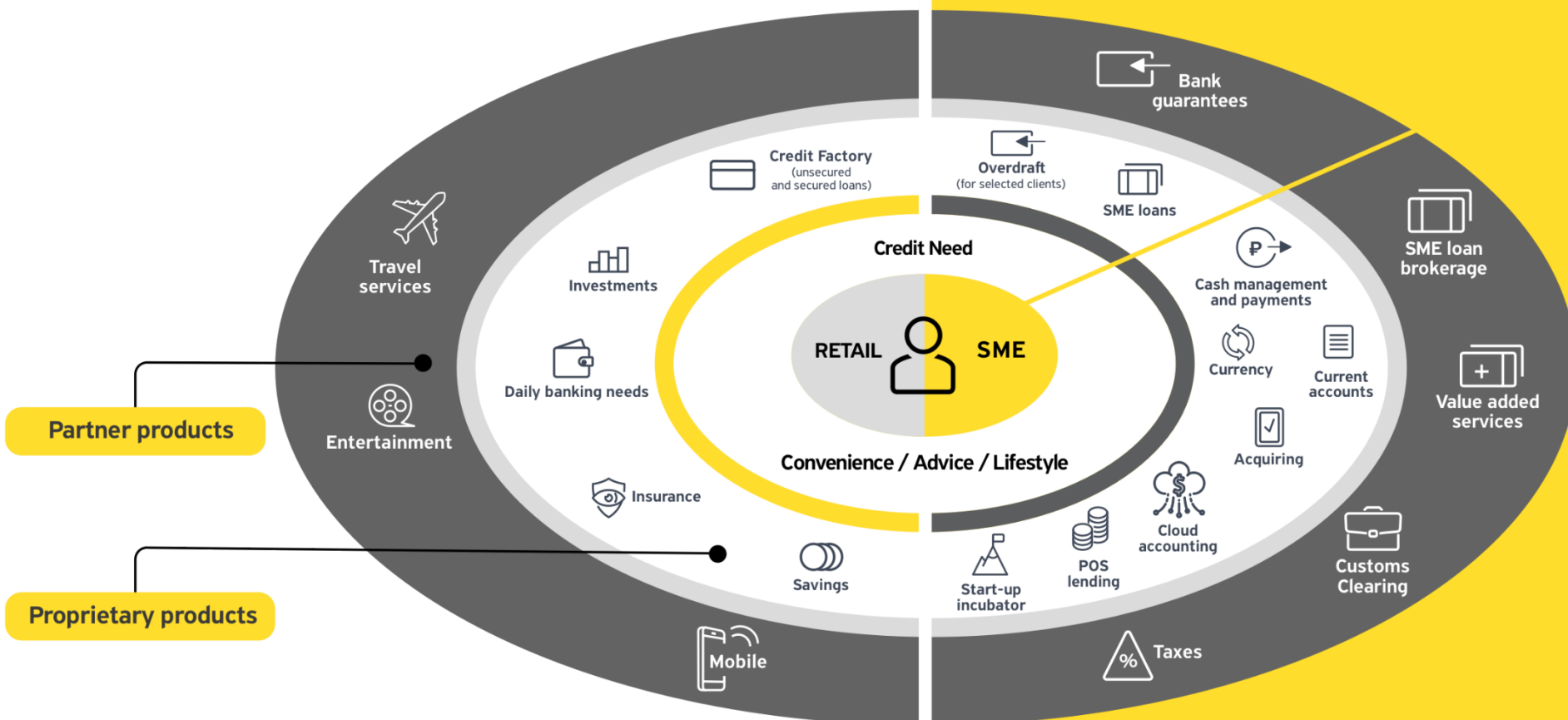
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**Tinkoff**

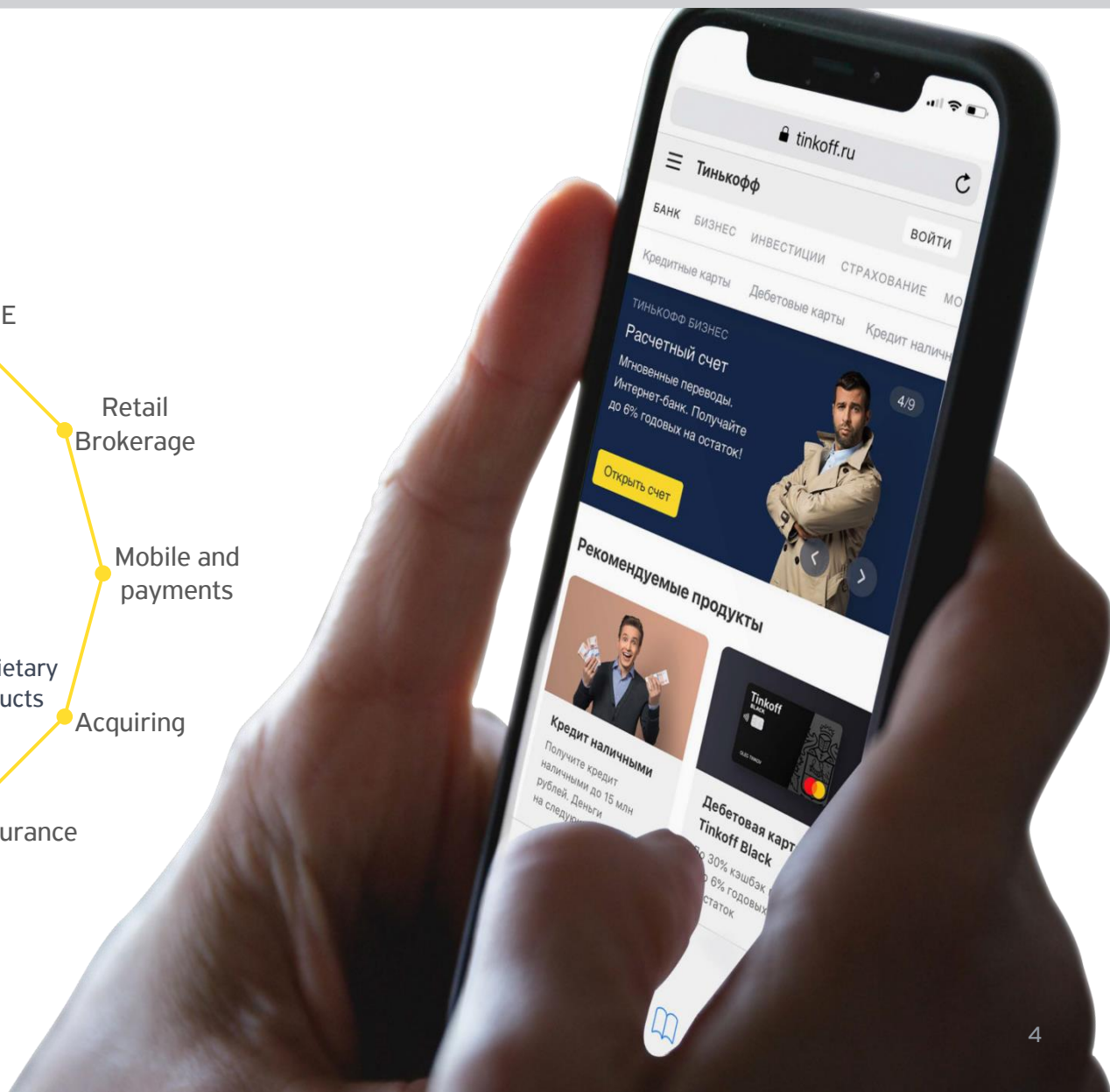
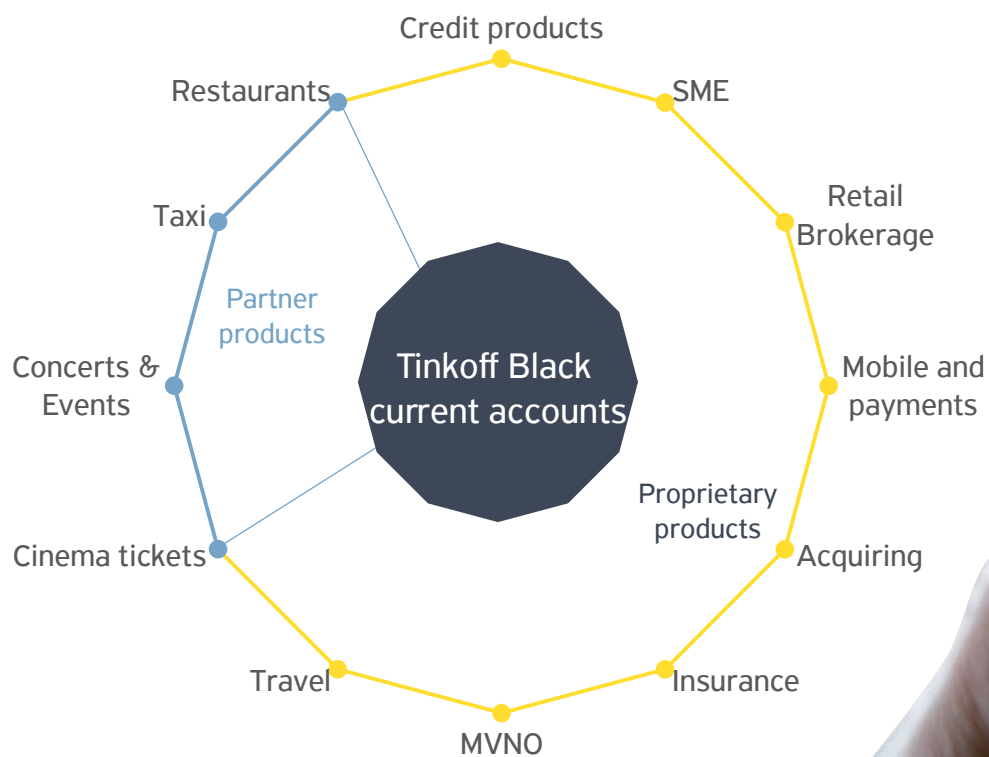
# **I. Tinkoff Today**

A digital financial & lifestyle ecosystem built around customer needs

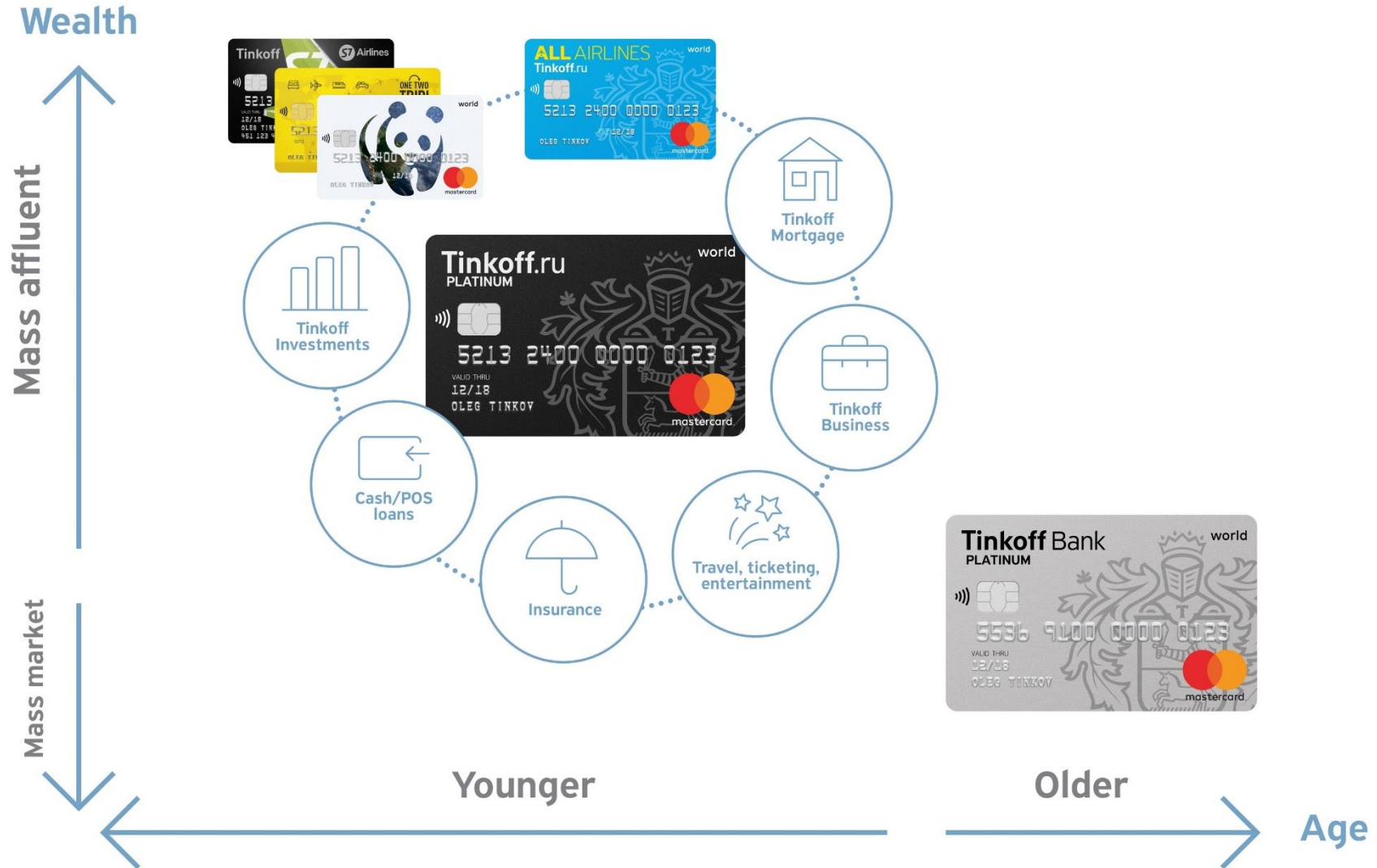


# TINKOFF MOBILE APP: ONE-STOP-SHOP FOR A WHOLE RANGE OF AVAILABLE SERVICES

Tinkoff ID: a key to unlock Tinkoff offering



# TINKOFF BLACK CURRENT ACCOUNT: CUSTOMERS' FEEDER TO TINKOFF ECOSYSTEM

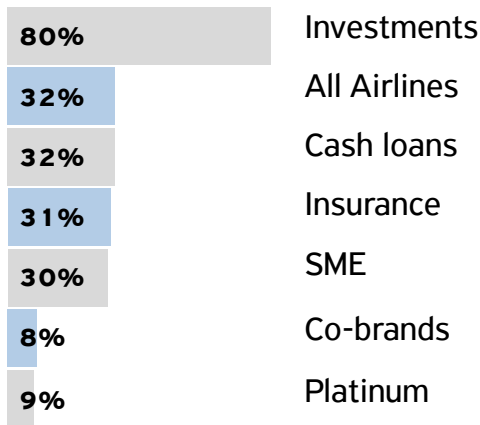


# TINKOFF BLACK: THE CENTRAL PILLAR TO ROLL OUT THE CROSS-SELL POTENTIAL

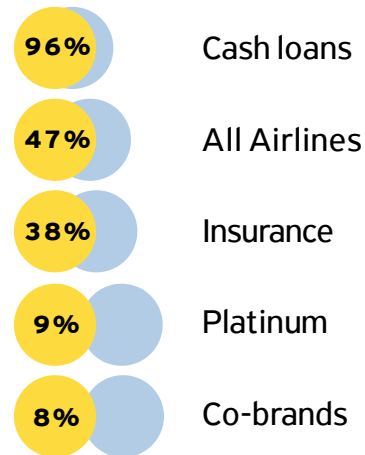


## How Tinkoff Black drives cross-sell

### TINKOFF BLACK IS A MAJOR SALE CHANNEL FOR OTHER PRODUCTS



### TINKOFF BLACK IS USED BY OUR CREDIT CUSTOMERS



1/3 of Tinkoff customer base has more than 1 product

## We also see positive cross-sell dynamics among other products

70%

of SME decision makers take Tinkoff Black within 1 year

42%

of SME customers use one or more additional corporate service, up from 30% a year ago

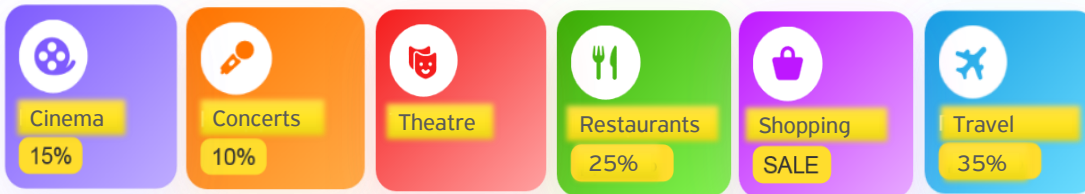
20%

of POS customers have utilized a credit card within 1,5 years

# TINKOFF MOBILE APP: MORE THAN JUST FINANCIAL SERVICES

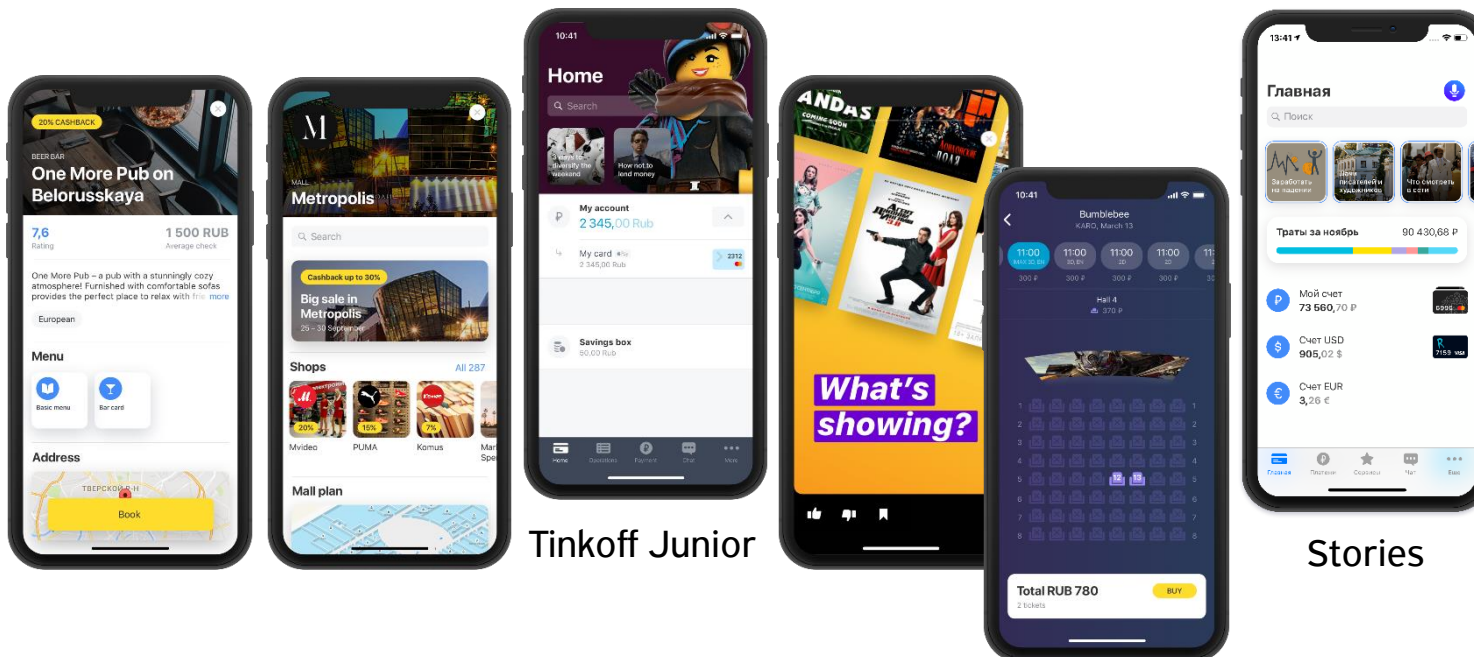


## Lifestyle journey in your banking app



Drives customers' loyalty and stickiness

## Superb UX



Tinkoff Junior

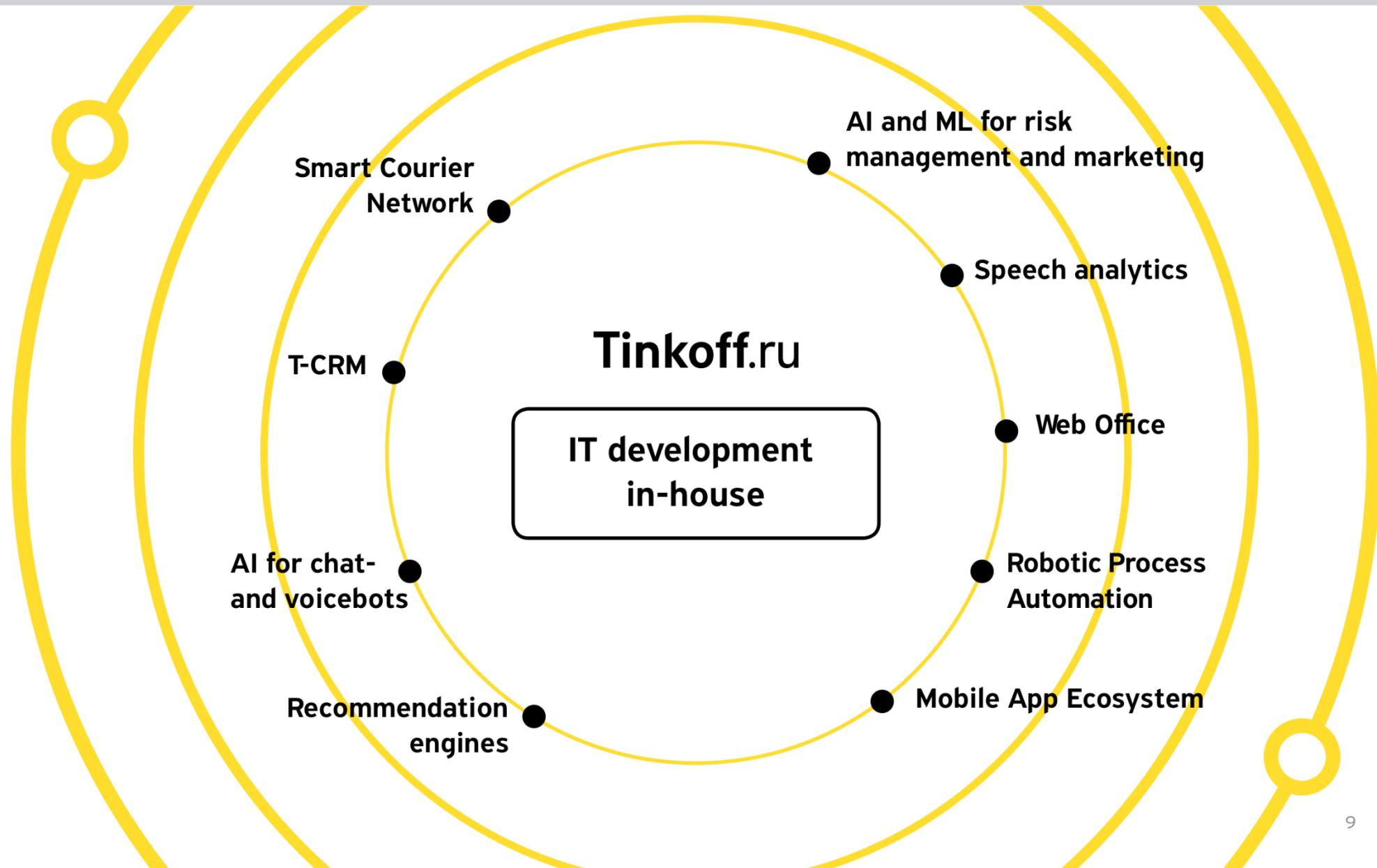
Stories

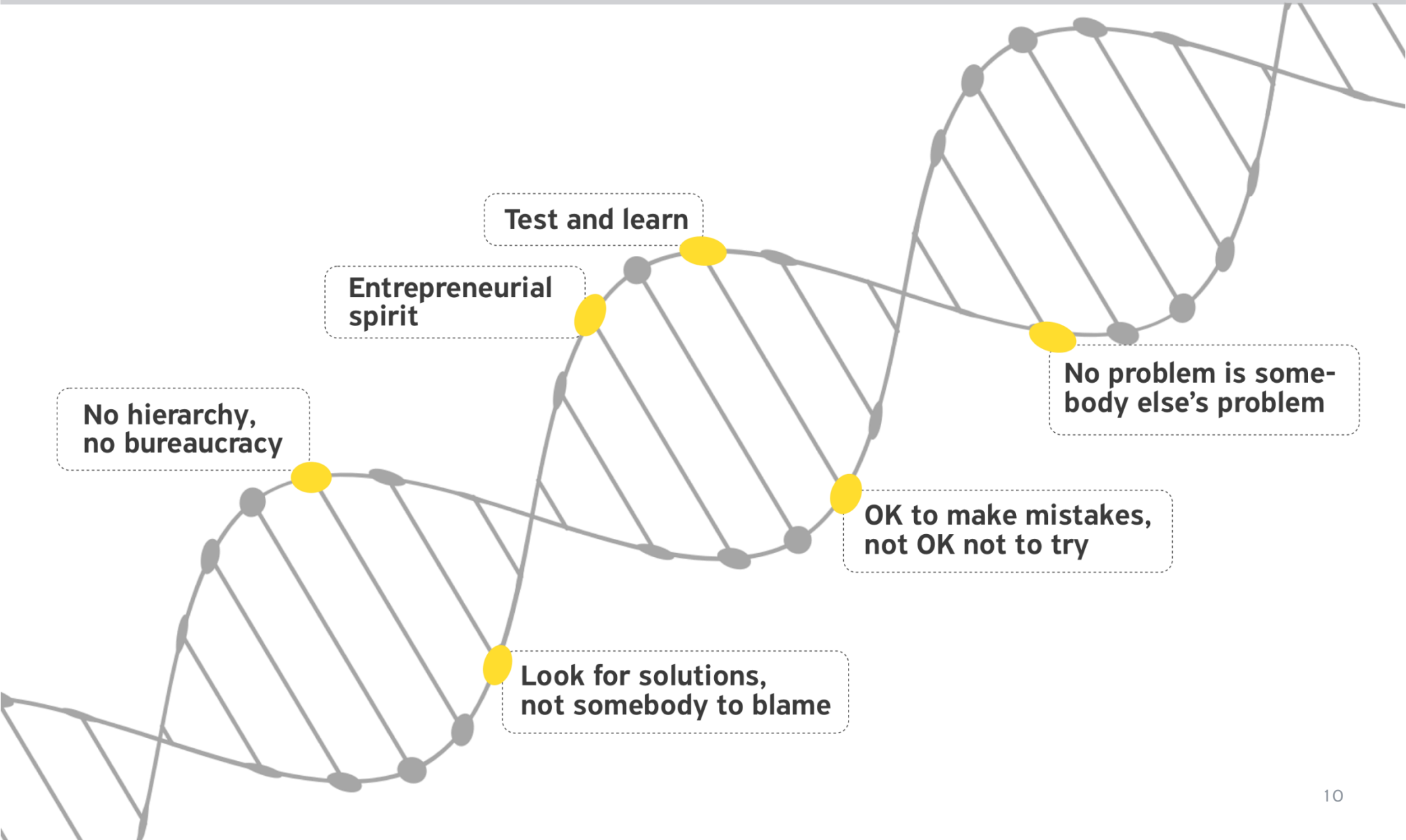
- 20.6 installs
- 2.4m DAU
- 7.6m MAU
- 150m sessions per month
- 1.5min session length




# WITH ZERO BRANCHES, WE DELIVER PRODUCTS EVERYWHERE IN RUSSIA







# THE BEST IDEAS FOUND AROUND THE WORLD BUNDLED IN ONE APP



Premium checking

**Tinkoff Black**  
since 2012

Revolut N26



SME banking & online acquiring

**Tinkoff Business**  
since 2016

BREX stripe



Custodial/teen banking

**Tinkoff Junior**  
since 2018

step Current



Retail brokerage

**Tinkoff Investments**  
since 2016

robinhood Interactive Brokers



Online Insurance

**Tinkoff Insurance**  
since 2016

Root Insurance Co metromile

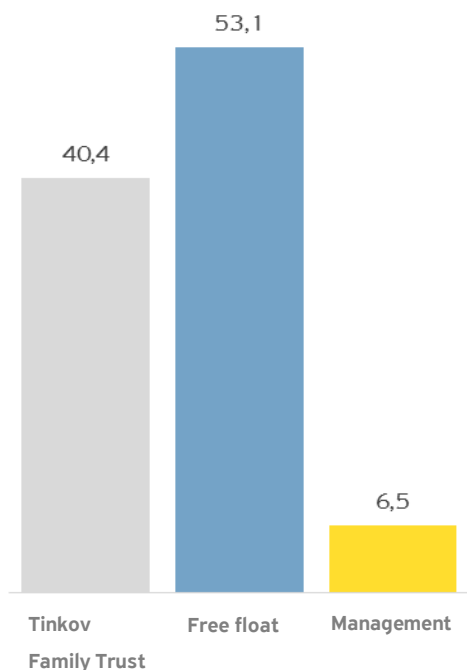


**Tinkoff**

## **II. Performance overview**

All currency data are in RUB bn unless otherwise stated

## SHAREHOLDER STRUCTURE



## GROUP'S KEY FINANCIALS (IFRS)

Income statement	3Q'20	2Q'20	Change	9M'20	9M'19	Change
Interest income	30.2	32.3	-6%	94.0	80.8	16%
Net margin	24.4	26.4	-8%	76.2	63.9	19%
Provision charge for loan impairment	6.6	12.4	-47%	34.6	19.6	77%
Customer acquisition expense	5.5	4.1	33%	13.6	13.9	-2%
Administrative and other operating expenses	8.9	8.8	1%	25.2	20.5	23%
Profit before tax	15.9	13.1	21%	40.7	32.2	27%
Profit for the period	12.6	10.2	23%	31.9	25.1	27%

Balance Sheet	30-Sep-20	30-Jun-20	Change	30-Sep-19	Change
Cash and treasury portfolio	311.6	288.5	8.0%	139.4	124%
Loans and advances to customers	346.3	324.2	6.8%	319.9	8%
Total assets	725.6	669.2	8%	507.6	43%
Customer accounts	513.4	473.9	8%	346.7	48%
Total liabilities	609.1	561.2	9%	424.2	44%
Total equity	116.5	108.1	8%	83.4	40%

Ratios	3Q'20	2Q'20	Change	9M'20	9M'19	Change
ROAE	45.0%	56.5%	-11.5 p.p.	40.8%	59.0%	-18.2 p.p.
ROAA	7.2%	8.1%	-0.9 p.p.	6.6%	7.7%	-1.1 p.p.
Net interest margin	16.2%	22.5%	-6.2 p.p.	18.3%	22.6%	-4.3 p.p.
Cost/Income (incl. acquisition expenses)	38.2%	34.1%	4 p.p.	34.3%	38.4%	-4.1 p.p.
Cost of risk	6.5%	9.1%	-2.6 p.p.	11.6%	8.6%	3 p.p.

## Awards



**Best Digital Bank**  
in Central and Eastern  
Europe, 2016



**Most profitable bank**  
in Central and Eastern  
Europe, 2017



**Best Internet Bank**  
in Russia, 2018

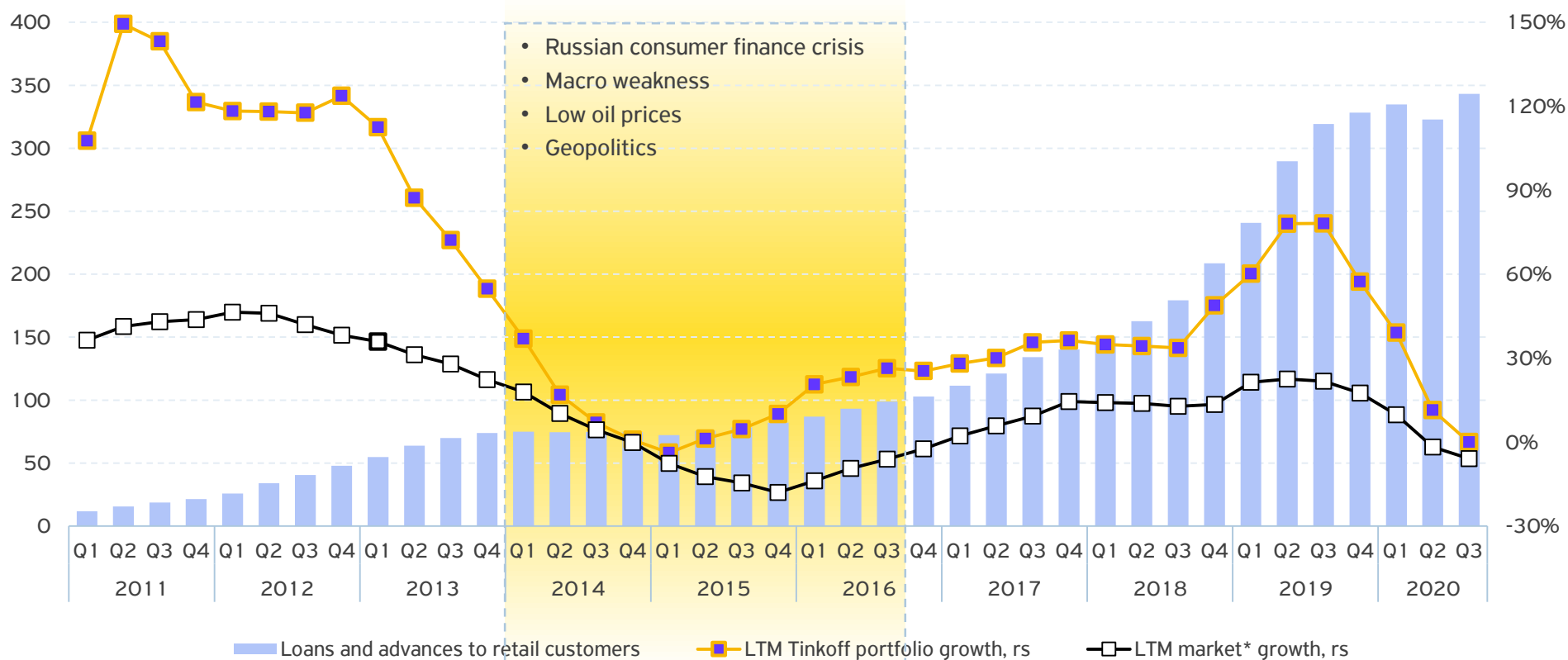


**Best Consumer Digital Bank**  
in Russia, 2018



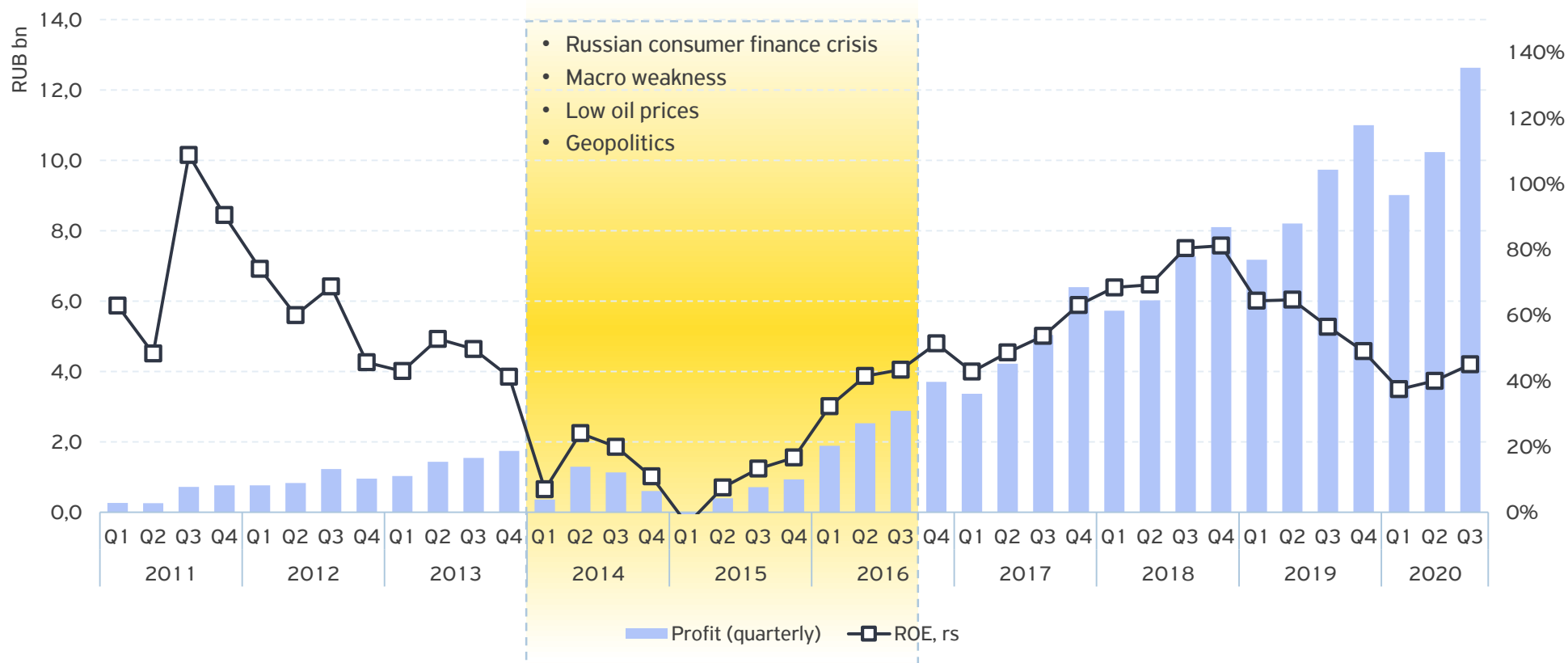
**Best Digital Consumer  
Bank**  
In the World, 2020

# Long-term perspective – growth

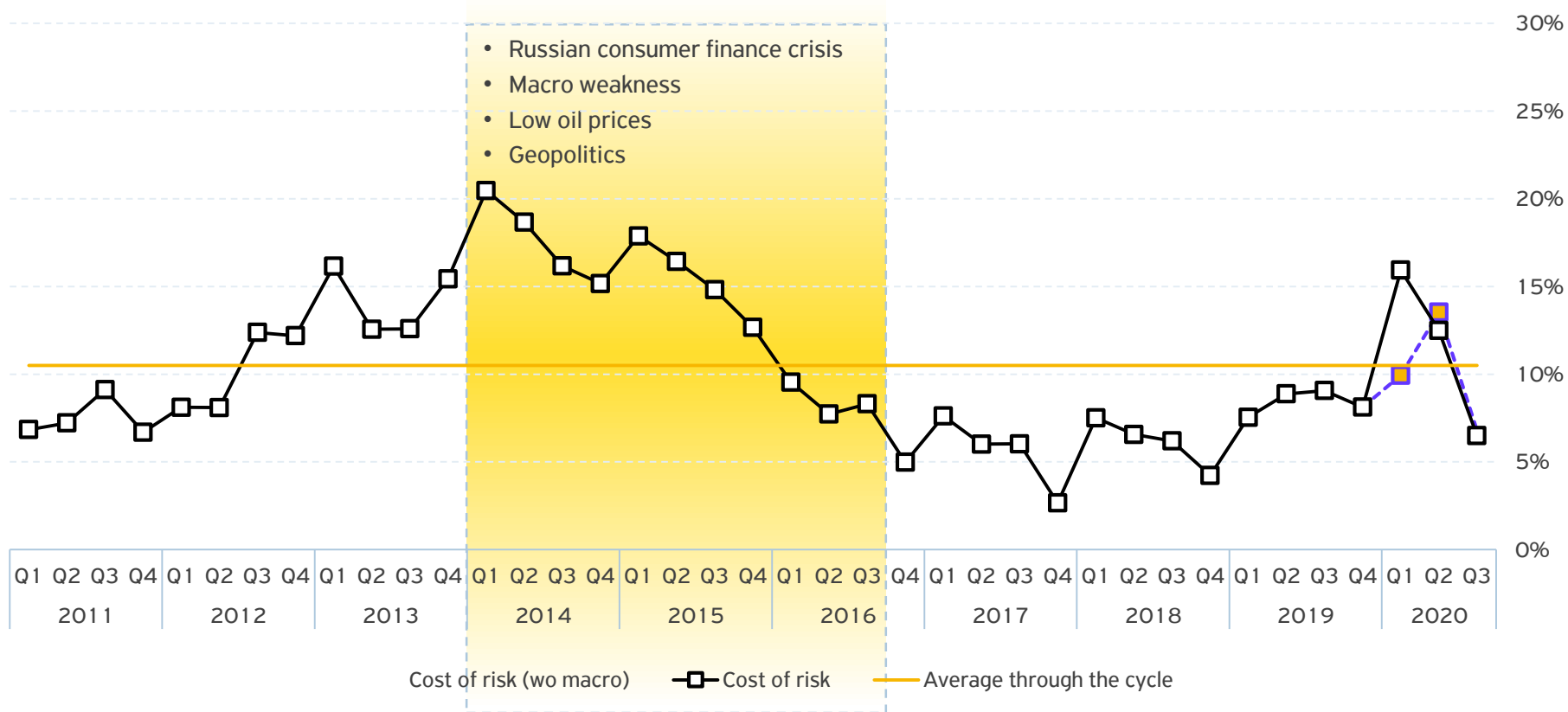


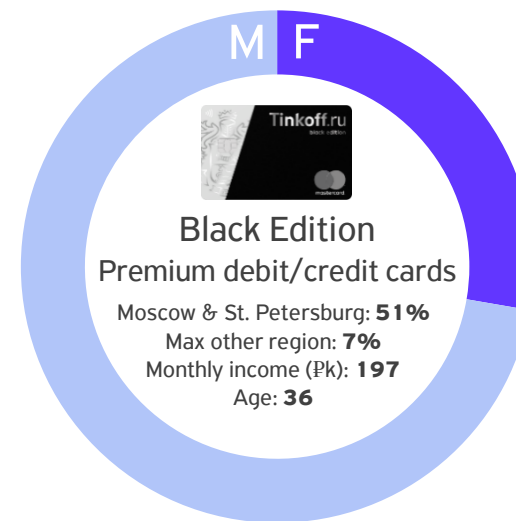
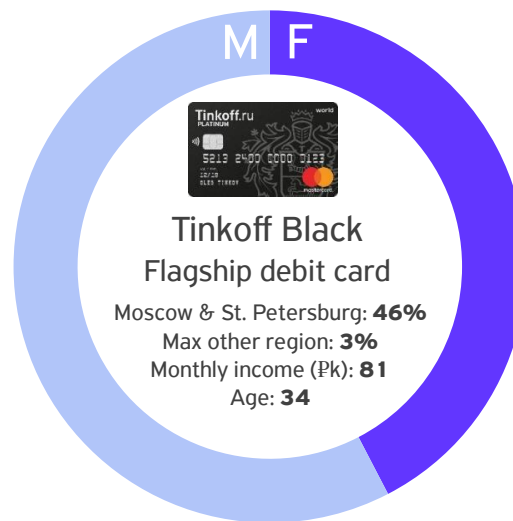
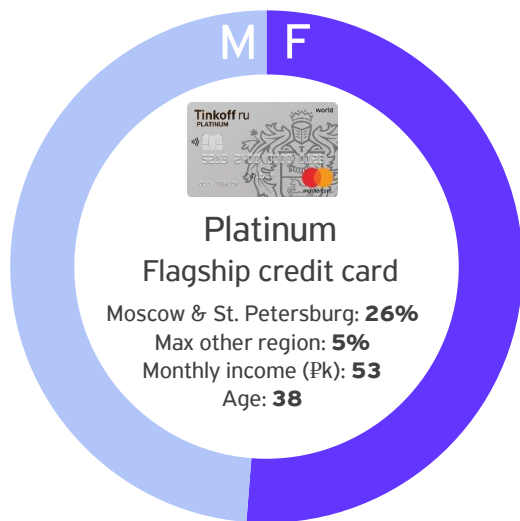
\* Market estimated as non-overdue portfolio from RAS reporting 101 form 455% and 457% accounts, including only loans with term up to 3 years

# Long-term perspective – profitability









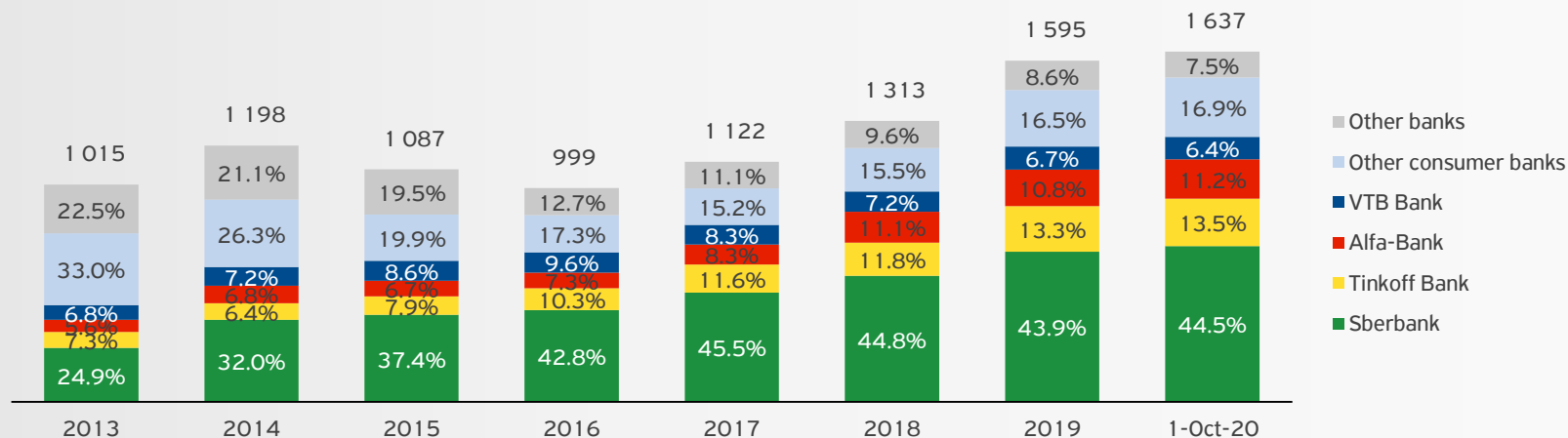
	Platinum Credit Cards	Tinkoff AllAirlines	Home Equity Loans	Auto Loans	Tinkoff Black	Tinkoff Investments	Black Edition Customers
Gender (M/F)	49% / 51%	55% / 45%	53% / 47%	80% / 20%	58% / 42%	75% / 25%	72% / 28%
Average age	38	35	40	39	34	32	36
Monthly income (₽k)	53	108	105	79	81	98	197
Moscow and Moscow Region	18%	44%	22%	17%	34%	36%	42%
Saint-Petersburg and Leningradskaya oblast'	8%	12%	9%	8%	12%	12%	9%
Every other region	≤5%	≤3%	≤5%	≤5%	≤3%	≤3%	≤7%

# Consumer Finance Market: Tinkoff is the #2 player

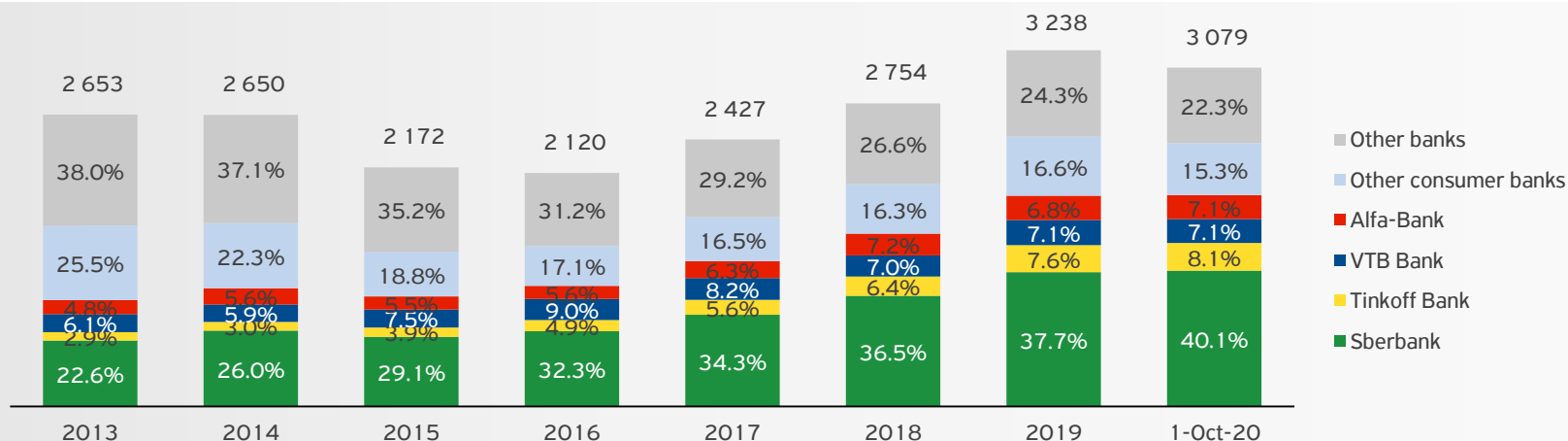


All currency data are in P bn unless otherwise stated

## RUSSIAN CREDIT CARD MARKET



## RETAIL LOANS UP TO 3 YEARS





**Tinkoff**

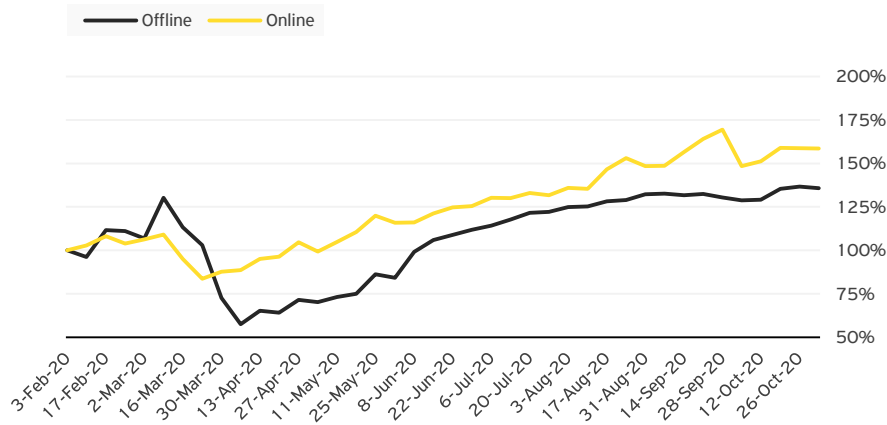
## **III. 3Q2020 IFRS financial results**

# COVID-19 impact – overall activity levels remain resilient

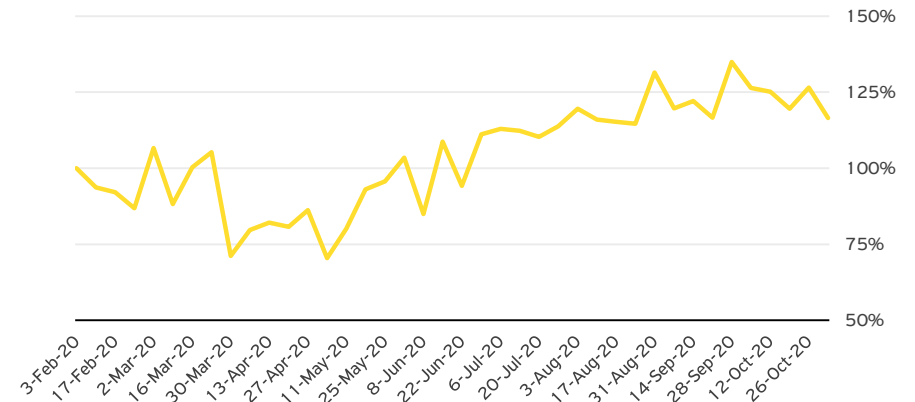


Data shows weekly volumes as a % of the volumes during the first week of February (= 100%)

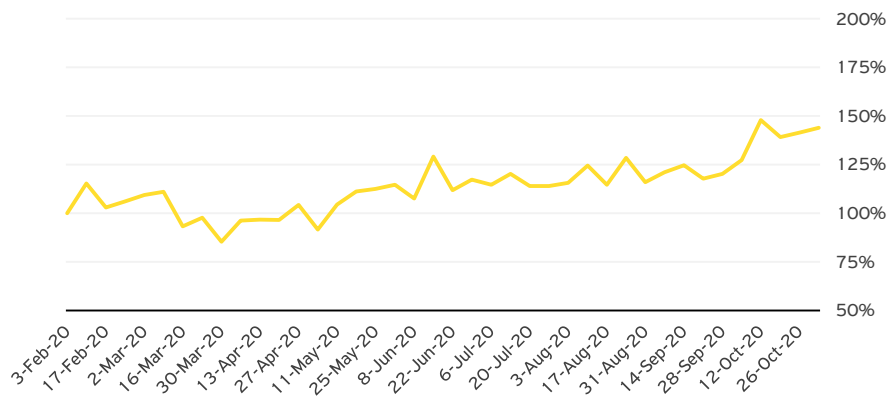
## Card Total Payment Volume (TPV)



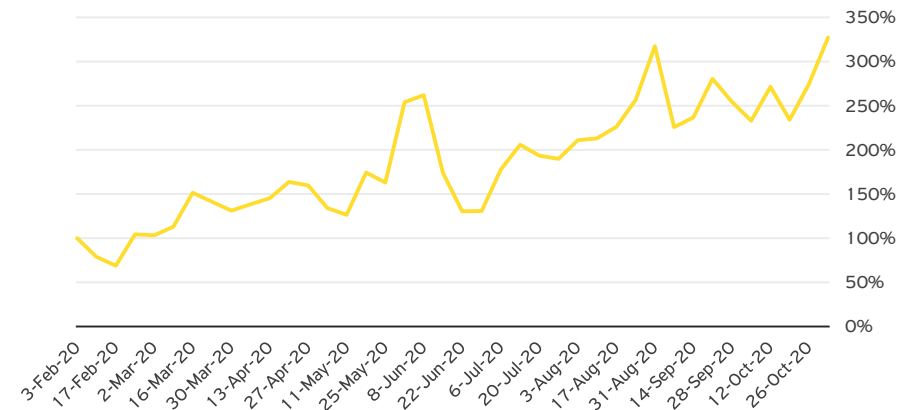
## SME clients' turnover



## Online Acquiring Total Payment Volume (TPV)



## Retail brokerage transaction volumes



# COVID-19 Update: Challenges and responses



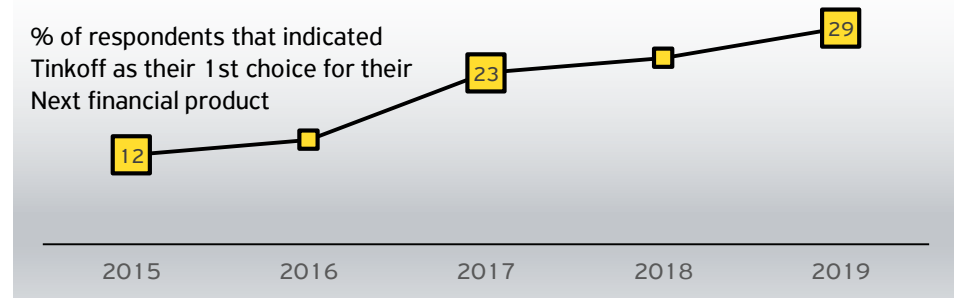
Challenge	Response	Result
Protecting health and safety of our employees, maintaining motivation, while ensuring business continuity	Moving all non-critical and business essential functions to the cloud, equipping smart couriers with PPE. >95% of HQ employees are working from home. Offering more generous compensation packages for our smart couriers and employees still coming to the office (+15-20%). Increasing the number of employees included in the Long-Term Incentive Program.	No loss in productivity and employee engagement
Supporting our communities	Deploying Tinkoff cloud-based home call center (HCC) to assist the Moscow City Government and the People's Social Front (a consumer protection organization) with fielding calls from people beset by COVID-19 and related problems. Committing RUB 1bn to social initiatives, including support for hospitals.	Meaningful support for communities affected by COVID-19
Increase in restructuring /payment holiday requests from customers	Engaging with customers to find the optimal restructuring solution, including proprietary and government-sponsored payment holidays.	Managed and controlled increase in restructured exposures, with limited impact on liquidity
Supporting SMEs given difficult revenue generating environment	Lowering acquiring and account fees, offering payment holidays on our small test loan portfolio, helping SMEs move online, launching 0% loans to pay salaries in partnership with the Russian Bank for SME support	Increasing loyalty of the customer base, minimizing negative impact on risk costs from the small test portfolio
Negative macro impact from COVID-19 related lockdowns and lower oil prices	Tightening origination standards (e.g. more manual verification, no issuance of second loans to existing customers), more proactive portfolio and credit limit management, shifting of resources from customer acquisition towards cloud-based pre-collection and collection activities. Gradual increase in approval rates following stabilization and improvement of high frequency internal asset quality metrics.	Temporary pause in loan growth in 2Q. Containing risk costs. Higher cash flow generation. Cost structure optimization.
Responding to significant increase in demand for Tinkoff Investments	Investing in technology and system capability to deal with high volumes. Continuing the launch of new product features: a new process to onboard customers without the need for a physical meeting with our smart-couriers; a redesigned and enhanced web terminal; six new currencies that can be traded at the interbank rate; online events, webinars, and shows for our customers.	#1 retail brokerage on MOEX by number of active customers for seven consecutive months with 2.4m customers
Strengthening engagement with customers despite social distancing measures	Tinkoff introduced a <b>cash-back offer called "Surviving quarantine"</b> which allows customers to benefit from up to 75% discounts on online services, products, and subscriptions that are particularly in demand during isolation (online cinema, home fitness, books, language courses, etc.). Tinkoff Mobile implemented functions allowing customers to open accounts using virtual sim cards, to delay payment of mobile services by up to 2 weeks without charge, to waive certain roaming fees for customers not able to return to Russia, to record and store voice calls, and to use unlimited data for remote working apps like Zoom, Skype, Slack, etc. Introduced a new communication channel with Tinkoff support for Apple users through iMessage. Introduced 50% cashback on baby food expenditures for parents.	Continued growth in MAU (now 7.6m) and DAU (now 2.4m), continued growth in Tinkoff Black accounts

## Experienced team and continued governance improvements

- All members of the management board were present in 08-09 and 14-15 crises
- Tinkoff Bank Board of Directors changes signal commitment to further corporate governance roadmap

## Loyal, engaged customer base

- 2.4m DAU, 7.6m MAU
- 4.8 App rating on Apple Store and Google Play
- Tinkoff Investments temporarily overtook the number of downloads of our main mobile banking app



Trust in the bank grew 2.4 times over 5 years (according to BrandZ poll)

## Digital and flexible operating model

- High share of variable costs: Over 1/3 of total costs are customer acquisition costs
- Lean organizational structure, with delegated decision making allowing each business to take swift decisions to relevant challenges
- Ability to shift resources (including HR) across different functions

## Conservative underwriting standards

- 30% hurdle rate ensures large buffer for eventual deteriorations
- Low approval rates, gradually tightening underwriting standards since early 2019
- Smaller than average loan tickets (Average credit card balance is 65k RUB, cash loan 260k RUB, POS loan 27k RUB, home equity 1050k RUB, car loan 550k RUB)

## Diversified revenue structure

- 41% of revenues from non-credit businesses (3Q20)
- Net fee, commission, and insurance income covers 125% of administrative expenses and 77% of total expenses (3Q20)
- Non-credit businesses are scaling up and driving customer growth

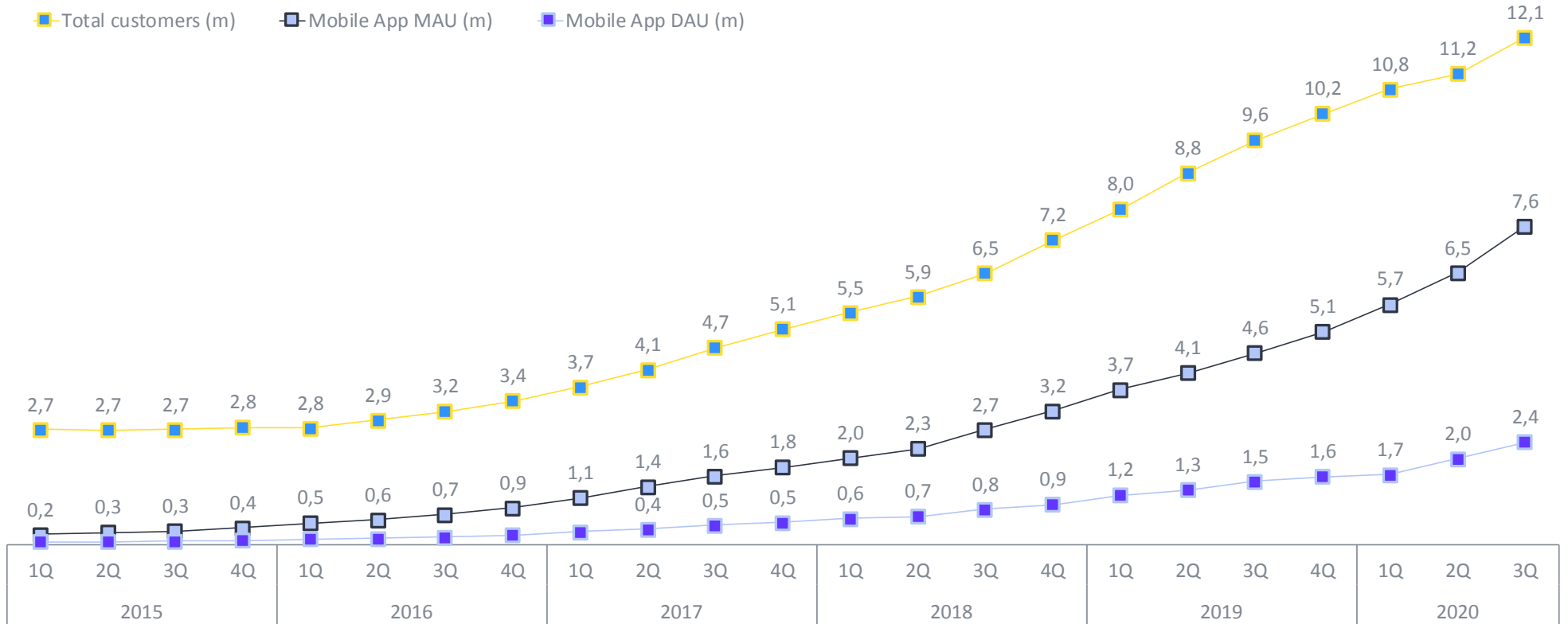
## Abundant liquidity

- Liquid balance sheet (cash, cash equivalents, and investments amounting to RUB 312bn, or 61% of customer accounts)
- Short-term balance sheet (83% of financial assets expected to mature within 12 months)
- Asset-liability matching (Current accounts fund cash, treasury, and very ST lending; deposits fund unsecured consumer lending; wholesale funding funds secured lending)

## Adequate capital buffers

- Current N1.1 buffer over minimum requirement equates to 126% of 2019 bank level profit
- Highly capital generative business model, thanks to 30% internal hurdle rate
- Profitable through the cycle, can easily and quickly slow down RWA growth
- Flexible dividend policy (up to 30% of quarterly net income)

# Russia's third largest bank by number of customers

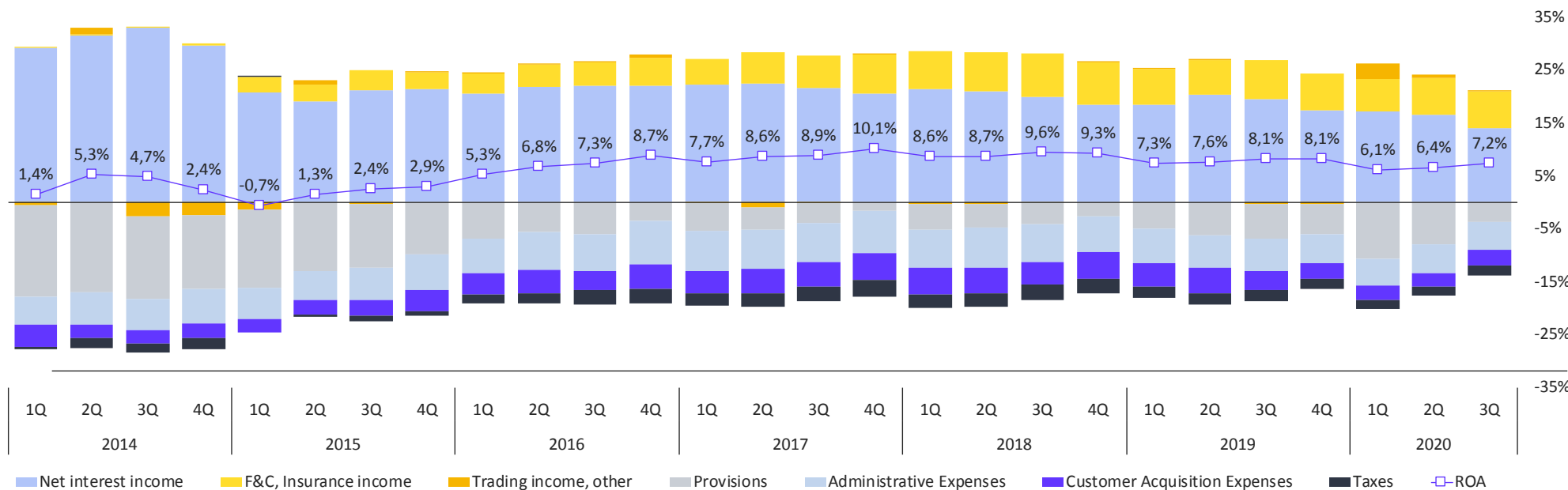




# Several levers to defend returns: high margin credit business, growing non-credit businesses, high share of variable costs



ROA DRIVERS (as % of average assets)



# Tinkoff: same way of doing business, more resilient structure



## Business principles

- Customer centric ecosystem approach
- Test and learn
- NPV approach with 30% hurdle rate

## Conservative lending practices

- Strict credit limit increase policy
- Pricing for risk
- Proactive collection and pre-collection

## Focus on liquidity and stability

- Small tickets, short duration lending
- Asset-liability duration matching
- FX hedging

	2014	2015	2019	1Q20	2Q20	3Q20
<b>Diversification</b>						
Share of non-credit revenues	1%	13%	33%	34%	37%	41%
Share of secured lending in net loans	0%	0%	15%	16%	17%	18%
Share of credit cards in net loans	93%	92%	61%	60%	61%	60%
Share of customer accounts in liabilities	49%	77%	85%	82%	84%	86%
Coverage of admin expenses by fee, commission, and insurance income	4%	41%	110%	111%	117%	125%
<b>Asset quality</b>						
LLPs as % of gross total loans	21%	19%	14%	16%	18%	17%
LLPs as % of gross credit card loans	18%	16%	18%	20%	22%	21%
<b>Liquidity</b>						
Share of cash & investments as % of total assets	16%	23%	33%	35%	43%	43%
Cash & Investments to customer accounts	39%	37%	47%	50%	61%	61%
Net loan-to-deposit ratio	172%	92%	80%	80%	68%	67%
<b>Capital</b>						
N1.0 ratio	15.5%	15.2%	12.1%	12.8%	12.4%	13.9%
N1.1 ratio	9.4%	9.4%	9.5%	8.7%	10.1%	10.8%
N1.2 ratio	9.4%	9.4%	11.7%	11.2%	12.1%	13.4%
Leverage (x)	5.2	6.1	6.0	6.3	6.2	6.2
<b>Customer loyalty</b>						
Total customers (m)	2.7	2.8	10.2	10.8	11.2	12.1
MAU (m)	0.2	0.5	5.1	5.7	6.5	7.6
DAU (m)	0.0	0.1	1.6	1.7	2.0	2.4

## Credit business: Temporary pause in growth trajectory

### Returning to growth

- +1.2mn new credit accounts acquired
- +8.2% YTD gross loan growth

### Conservative front loading of provisions

- CoR at 6.5% in 3Q'20 and 11.6% in 9M'20 reflecting our conservative approach to risk assessment
- NPLs (90d+) at 11.1% with coverage at 153%, gross loan coverage at 16.9%

### Diversified product and customer mix

- Non-credit card products accounted for 40% of the loan book and secured loans grew to 18% of total portfolio

## Superior profitability & capital position

- Net profit of ₹12.6bn in 3Q'20, up 29.8% y-o-y
- ROE grew to 45.0% (ROA of 7.2%) in 3Q'20 returning to our longer-term levels
- High statutory and Basel capital ratios throughout the crisis due to high profitability and declining risk weighted asset density on certain unsecured consumer loans

## Transactional & Servicing business lines: reducing P&L volatility

### Customer growth remains in focus

- Current Accounts customers up to 10.7mn (+16% q-o-q and 70% y-o-y)
- Investments customers grew to 2.4mn, providing us with record-high impact in fee and commission income

### Important and less cyclical revenue and growth driver

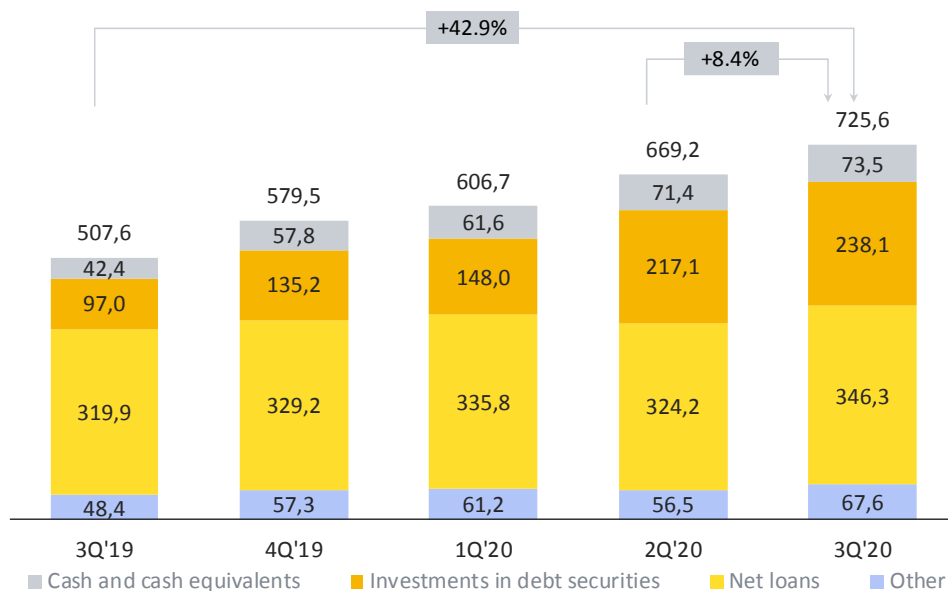
- 41% of revenues coming from non-credit lines in 3Q'20
- Tinkoff investments generated ₹2.1bn of fee income in 3Q'20 to become the second source of F&C income after Tinkoff Business (₹3.1bn)
- Strong contributor to customer growth, leveraging on digital distribution channels

## Strong business development effort

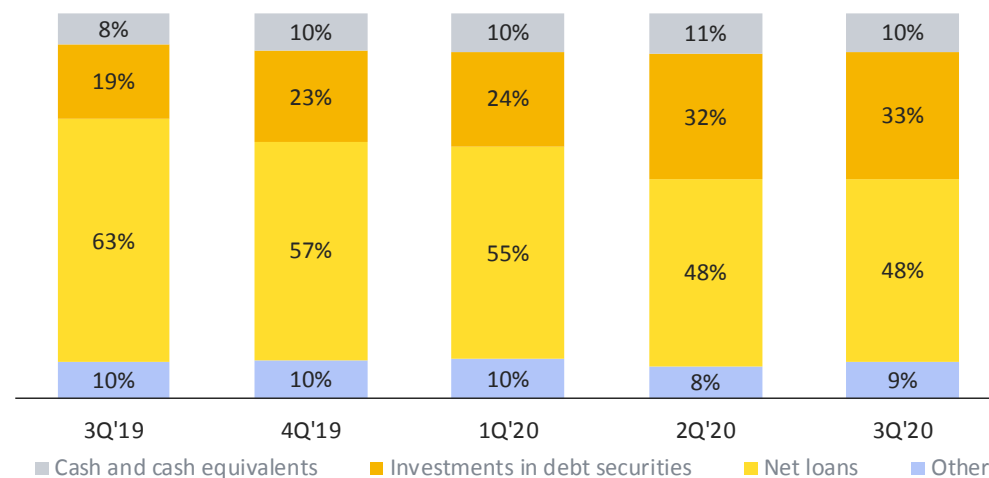
- Tinkoff Business started opening accounts for foreign companies
- Voice assistant Oleg added new skills, helping customers to set their spending limits, make recurring payments on time and pay their credit card bills
- Tinkoff Capital launched Russia's first exchange-traded fund (ETF) tracking the Nasdaq®-100 Technology Sector Index (NDXT)
- In October, Tinkoff launched a financial messenger built into its super app for users to chat while making financial transactions
- Launch of Tinkoff Pro – subscription offering that gives our customers all sorts of benefits within the Tinkoff ecosystems

All currency data are in P bn unless otherwise stated

## ASSETS



## ASSETS STRUCTURE



■ Total assets grew 8.4% q-o-q in 3Q'20 and 42.9% y-o-y

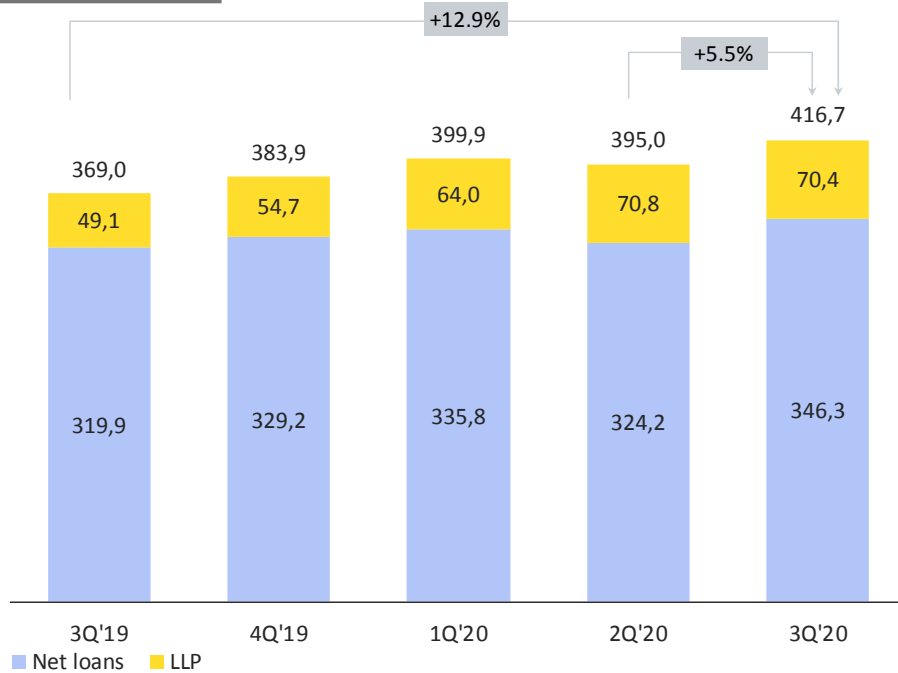
■ Our assets structure remains well balanced between loans and highly liquid investments and cash

■ Our large liquidity cushion enables to capture future growth opportunities

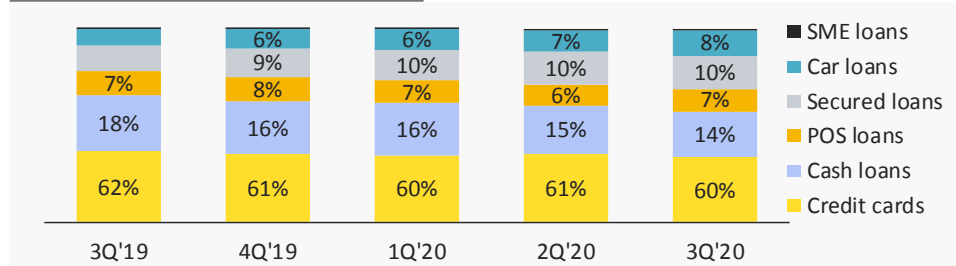
# Credit business: returning to growth

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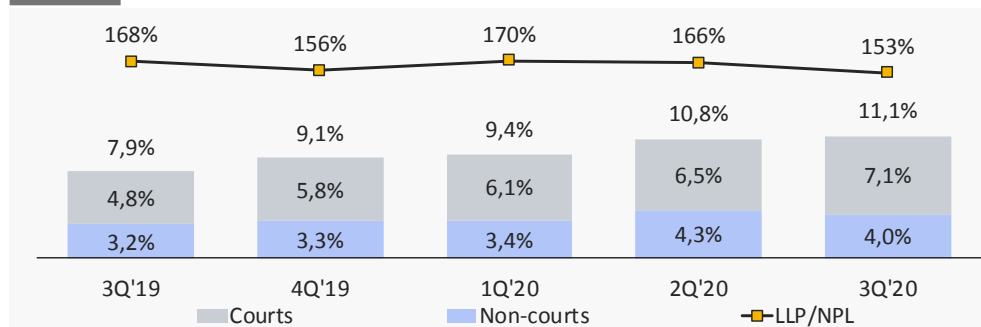
## GROSS LOANS



## NET LOANS BREAKDOWN



## NPLs

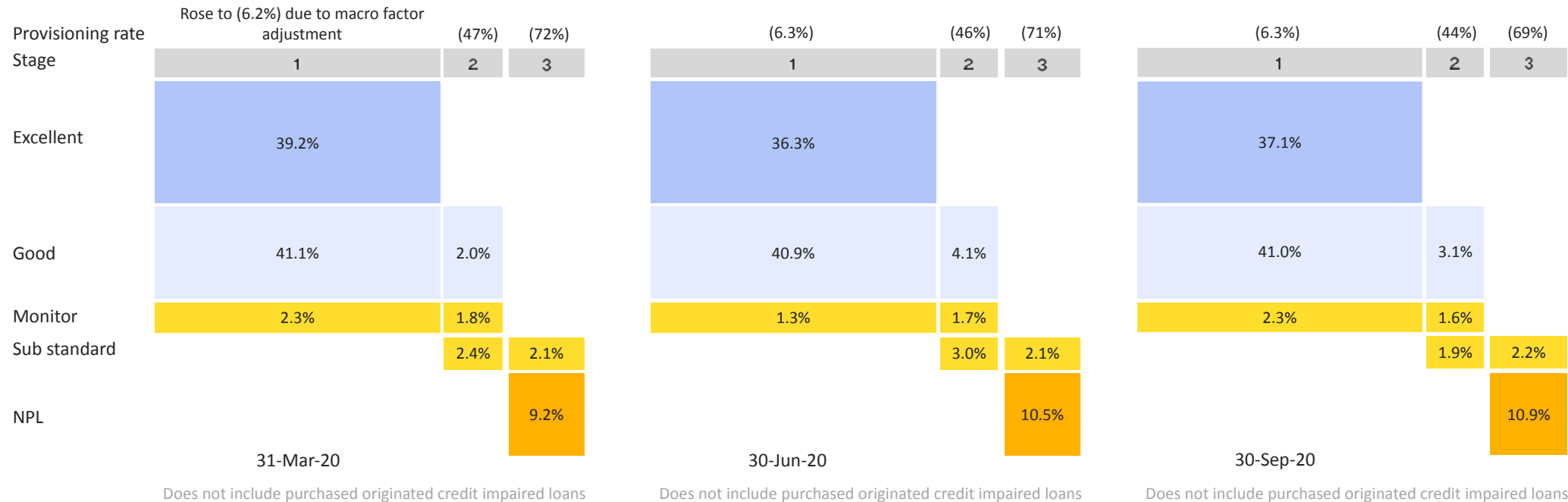


- Gross loans grew 5.5% q-o-q, resuming the growth of the portfolio
- The share of non-credit card loans grew slightly q-o-q to 40% as of 30-Sep-20
- The share of collateralized loans grew q-o-q to 18% as of 30-Sep-20

- NPL coverage remained comfortable at 153% despite the expected uptick in total NPLs driven by the COVID-19 pandemic. We retain high recovery expectations for NPLs in courts.
- Total LLPs account for a conservative and comfortable 17% of our total gross loan balance

# Gross loan portfolio quality – IFRS 9

All currency data are in P bn unless otherwise stated



- Excellent: non-overdue credit cards with PD < 5% or other non-overdue loans with early repayments
- Good: other non-overdue loans
- Current: non-overdue portfolio with low expected credit risk
- Monitor: 1-30 days overdue or without first due date

- Sub-standard: 31-90 days overdue
- NPL: 90+ days overdue
- Restructured loans fall into either Stage 1 or 2 depending on days overdue, on the probability of default level and deterioration, and on number of missed payments. Restructured loans in Stage 1 have higher provision coverage than current loans in Stage 1

## “Credit holidays” government program (Federal Law 106)

- No payment over a 6 month period for customers with >30% decline in income
- Interest accrues at rate of 2/3 of average market rate
- Strict eligibility criteria and requires extensive documentation within 90 days of request

- # of loans restructured during 20/03 – 31/10: 3,892
- # of restructured loans outstanding as of 31/10: 1,795
- Size of restructured loan portfolio as of 31/10: RUB 0.2bn
- 

## Tinkoff restructuring (>1 month)

- Less stringent eligibility criteria
- Flexible solutions with options to maintain a minimum monthly payment to encourage borrower discipline, positively impacting repayment rate and reducing probability of default
- Contractual interest rate unchanged

- # of loans restructured during 20/03 – 31/10 139,431
- # of restructured loans outstanding as of 31/10: 15,923
- Size of restructured loan portfolio as of 31/10: RUB 4.2bn

## Temporary relief (<1 month)

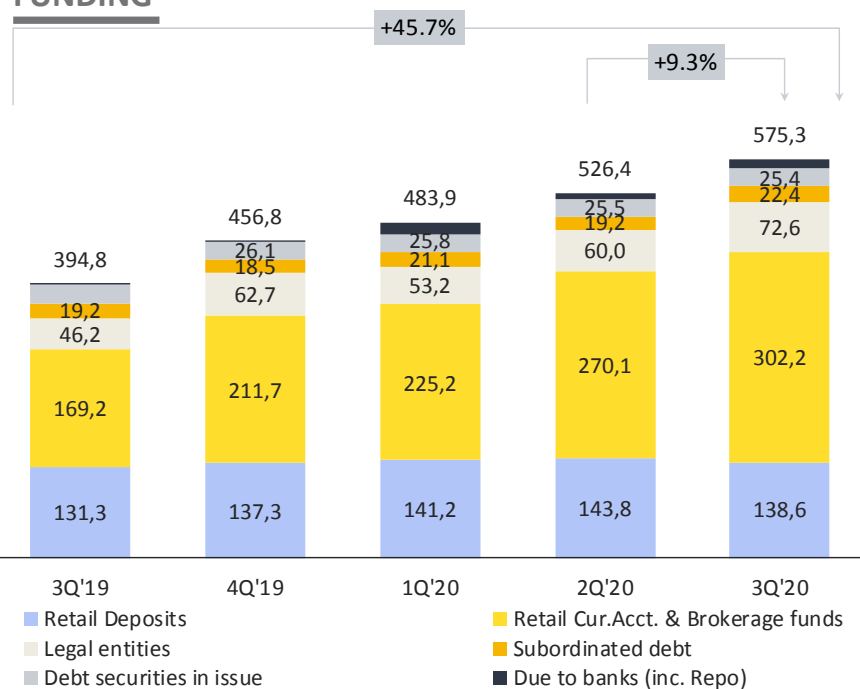
- Less stringent eligibility criteria
- Customer allowed to decrease upcoming payment
- Contractual interest rate unchanged

- # of loans restructured during 20/03 – 31/10: 128,088
- # of restructured loans outstanding as of 31/10: 1,608
- Size of restructured loan portfolio as of 31/10: RUB 0.2bn
- 

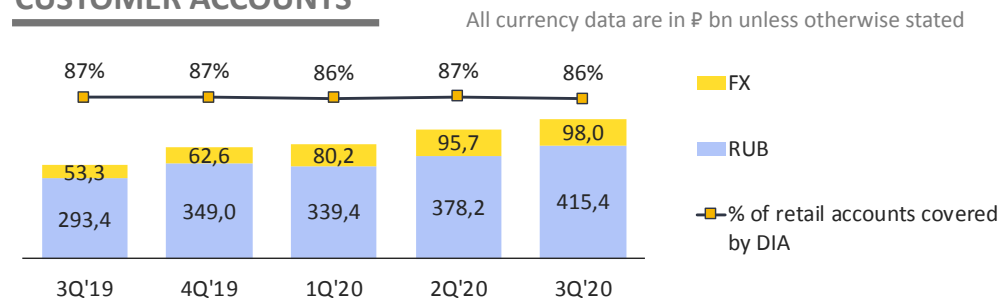
As of 31-Oct-20, total outstanding restructured loans of RUB 4.6bn amounted to 1.1% of the gross loan portfolio, down from 4.5% as of 31-Jul-20

# Funding: record customer inflows

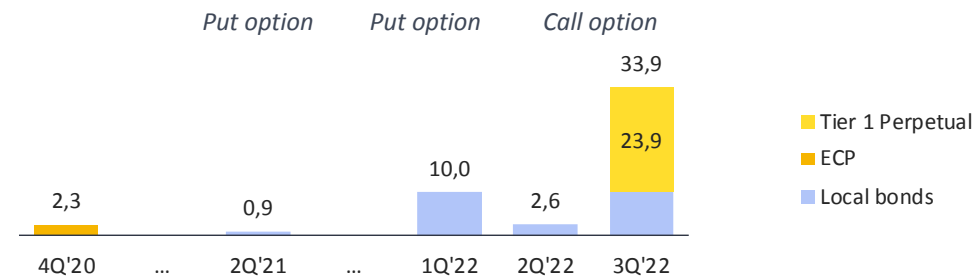
## FUNDING



## CUSTOMER ACCOUNTS



## WHOLESALE DEBT MATURITY PROFILE



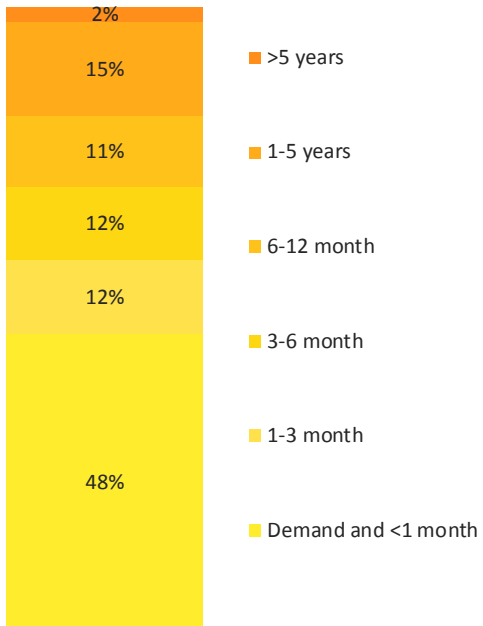
- Customer funds' growth accelerated in 3Q, supported by the increasing popularity of our current account product. Our retail current account balances rose by 32bn in one quarter to 302bn, or a record 53% of total funding
- The share of RUB customer accounts has grown q-o-q

- FX position hedged on a long-term basis through a combination of natural hedge and long-dated currency swaps
- We continue to deploy our retail current accounts in highly liquid securities and short duration loans



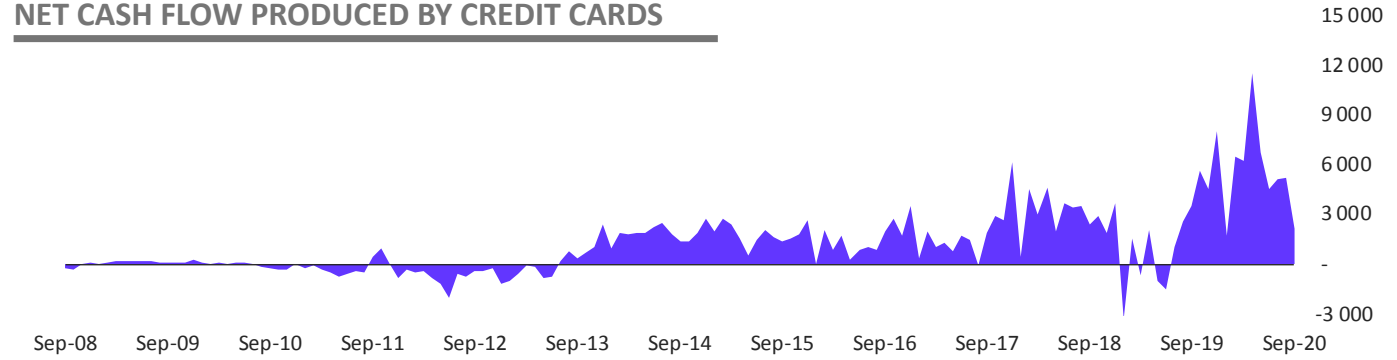
Data from management accounts

## EXPECTED MATURITY OF FINANCIAL ASSETS (as of 31-Dec-19)

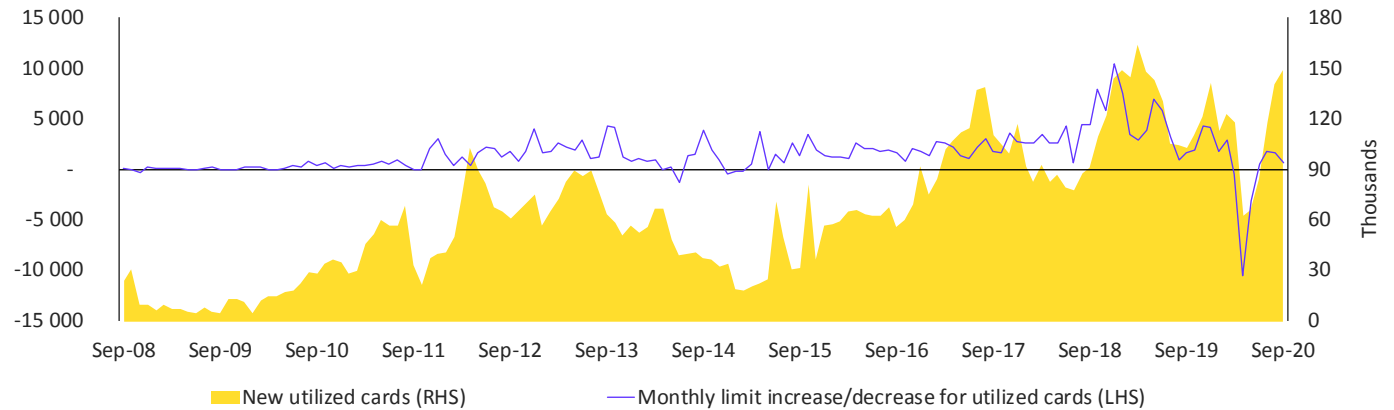


Tinkoff

## NET CASH FLOW PRODUCED BY CREDIT CARDS



## CASH FLOW MANAGEMENT INSTRUMENTS

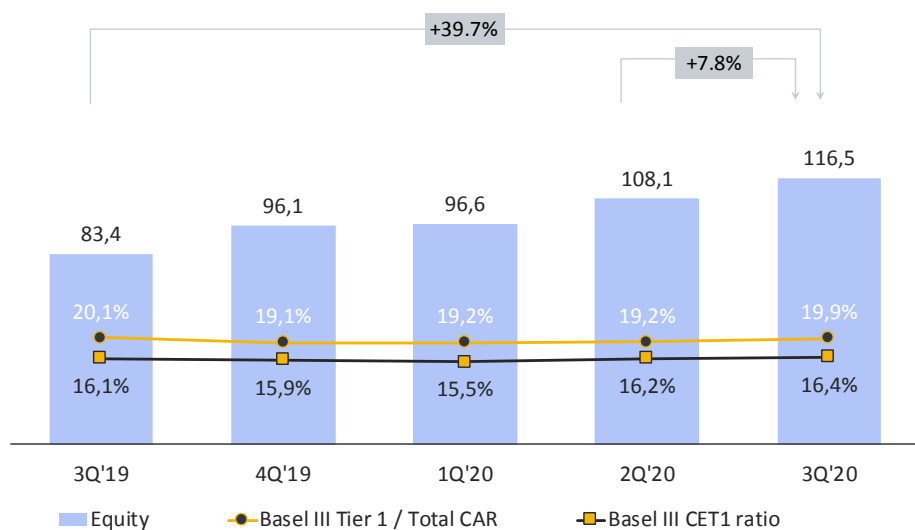


# Equity: solid capital ratios under Basel standards

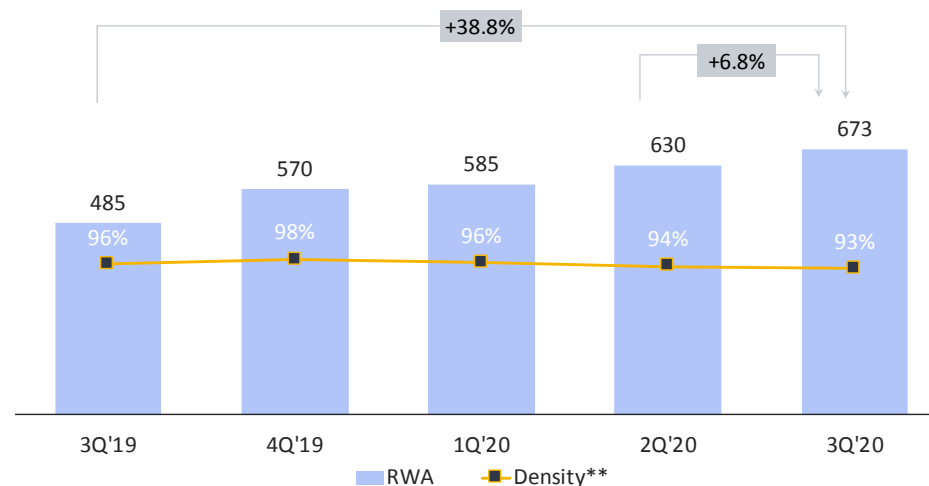


All currency data are in P bn unless otherwise stated

## SHAREHOLDERS' EQUITY OF THE GROUP



## RWA\*



- Shareholders' equity rose 7.8% q-o-q given solid profit generation
- Risk weighted assets rose 6.8% q-o-q
- The negligible size of our FX-denominated assets and our USD-denominated AT1 perpetual bond ensure a small impact on our capital ratios from changes in the RUB/USD exchange rate

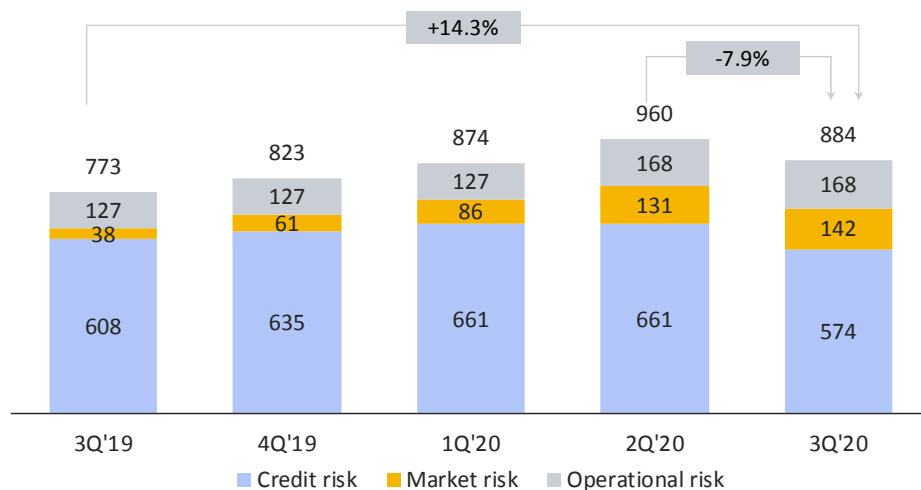
\*According to Basel regulations  
 \*\*RWA/Total assets

# Statutory Capital Ratios: growing capital buffers

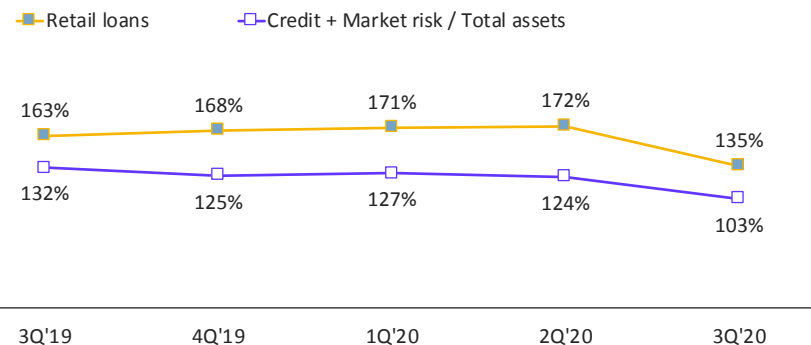


All currency data are in P bn unless otherwise stated

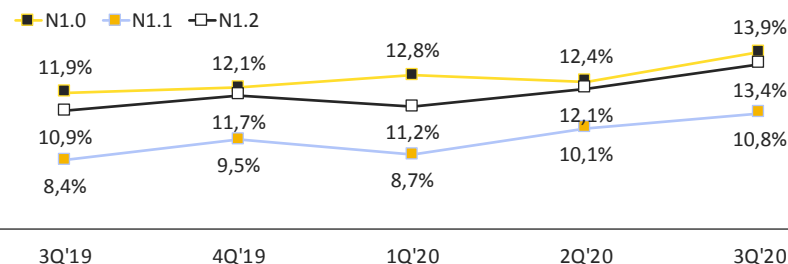
## RISK WEIGHTED ASSETS OF THE BANK



## DENSITY



## STATUTORY RATIOS

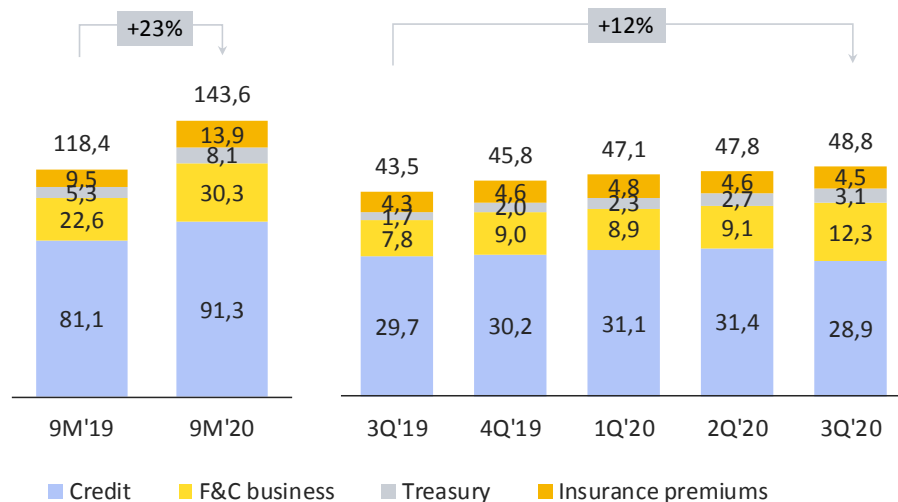


- Our statutory risk weighted assets declined 7.9% q-o-q due to the implementation of lower risk weights on certain unsecured consumer loans
- Consequently, our risk weighted asset density declined q-o-q
- Our statutory capital ratios remain well above the minimum requirements (currently 10.5%/8.5%/7.0% for N1.0/N1.2/N1.1)
- Density calculated as risk-weighted retail portfolio divided by RAS retail loan book

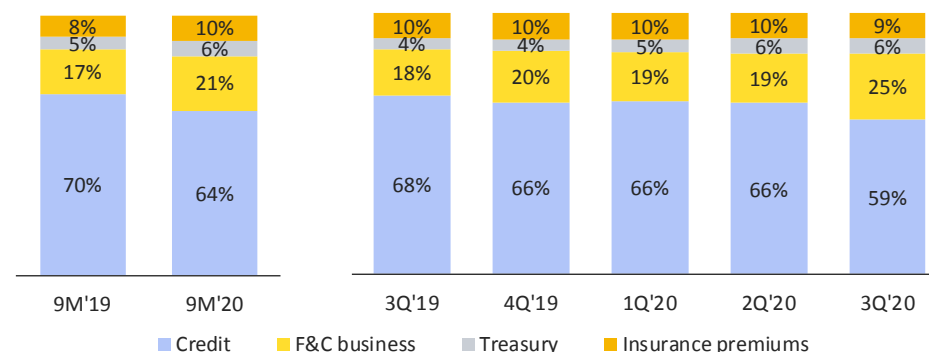
# Revenue: record high contribution from non-credit businesses

All currency data are in P bn unless otherwise stated

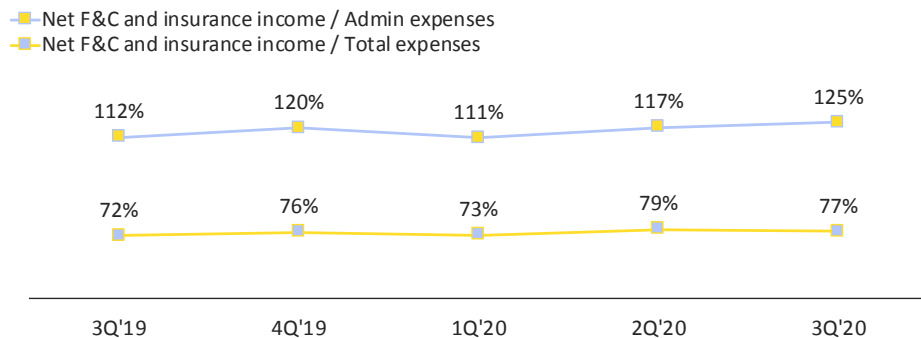
## REVENUE



## REVENUE STRUCTURE



## NET F&C INCOME / OPEX



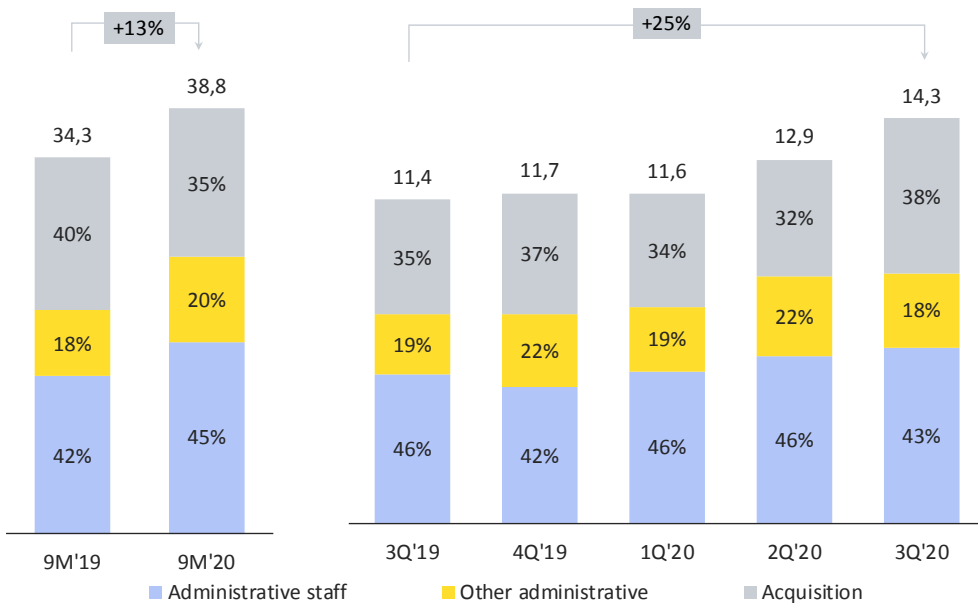
- Total revenues grew 12% y-o-y in 3Q'20, driven by non-credit business lines
- The share of non-credit revenues grew y-o-y from 32% to 41% - a record high
- Our diversified revenue structure reduces the volatility of our P&L
- Our non-credit revenue covers more than 100% of our admin expenses and almost 80% of our total expenses

# Operating expenses: investing for future growth

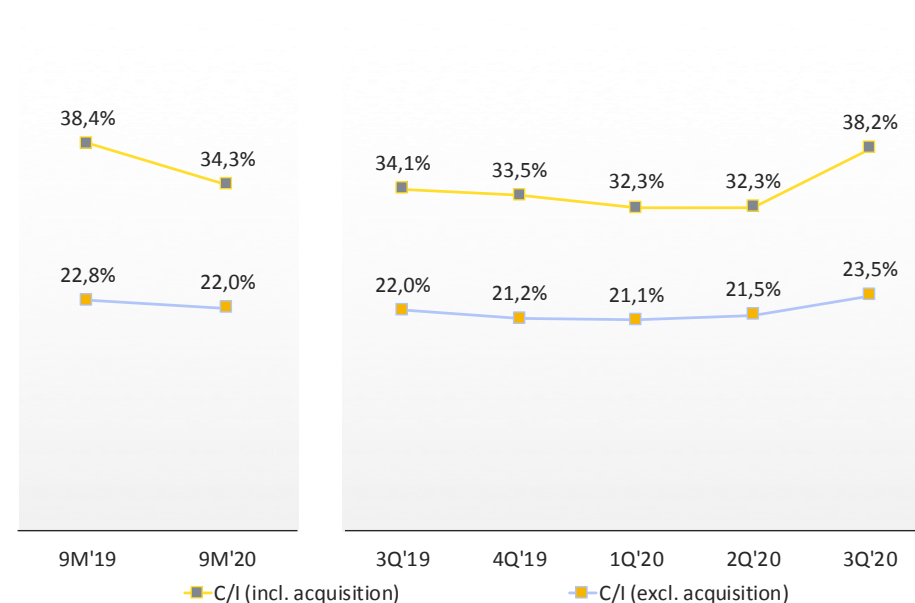


All currency data are in P bn unless otherwise stated

## STRUCTURE OF OPERATING EXPENSES



## OPERATING EFFICIENCY



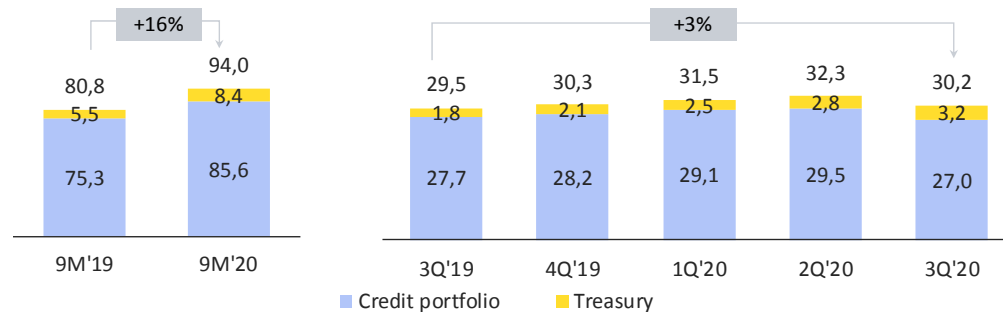
- Operating expenses rose 25% y-o-y, driven by acquisition costs as we returned to growth across all businesses
- Rapid acquisition cost growth in 3Q20 compensated a temporary decrease in 2Q'20 caused by COVID

- C/I returned to 2019 levels as we push on with our growth and customer acquisition plans

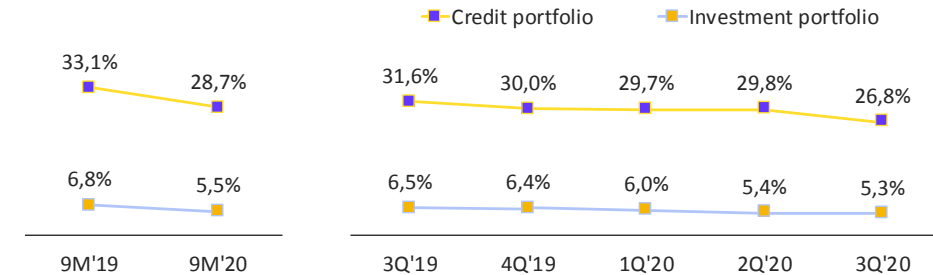
# Interest income and expense: asset yields and funding costs trend down

All currency data are in P bn unless otherwise stated

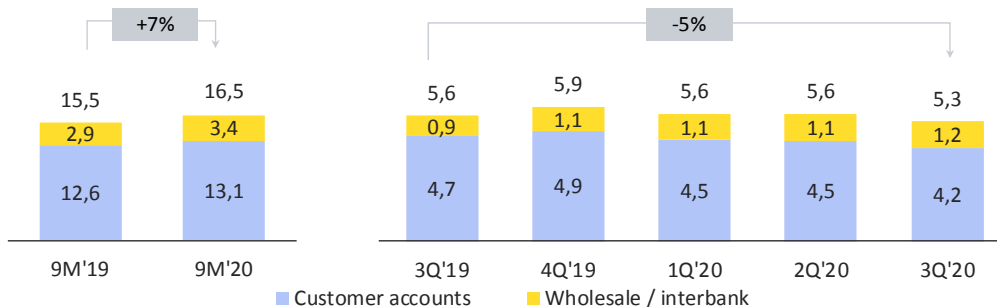
## INTEREST INCOME



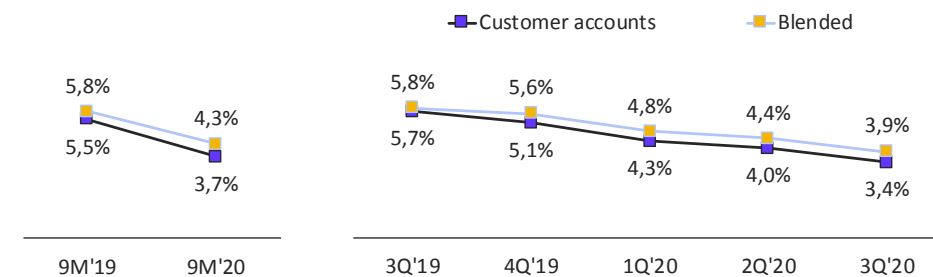
## YIELD



## INTEREST EXPENSE



## COST OF BORROWING



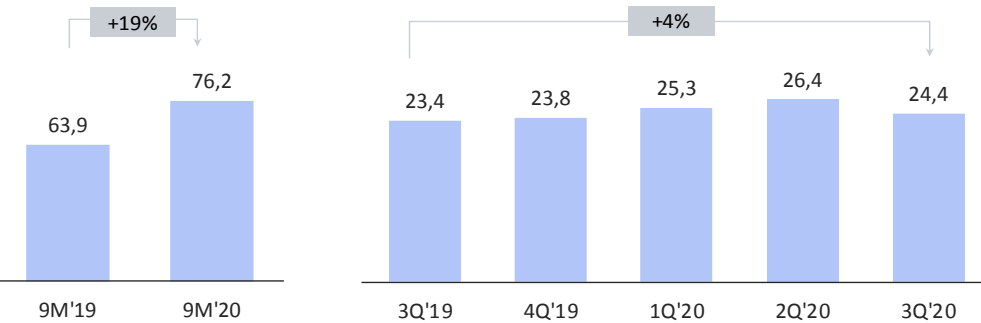
- Growth in interest income continues to outpace growth in interest expense in 2020
- Interest expense declined 5% y-o-y despite a 45.7% y-o-y increase in the total funding base

- Credit portfolio yield declined in 3Q'20 as we returned to growth, especially in lower yielding categories
- Cost of borrowing reached a record low of 3.9%, continuing its decline driven by easing monetary policy, brand recognition, and customer loyalty

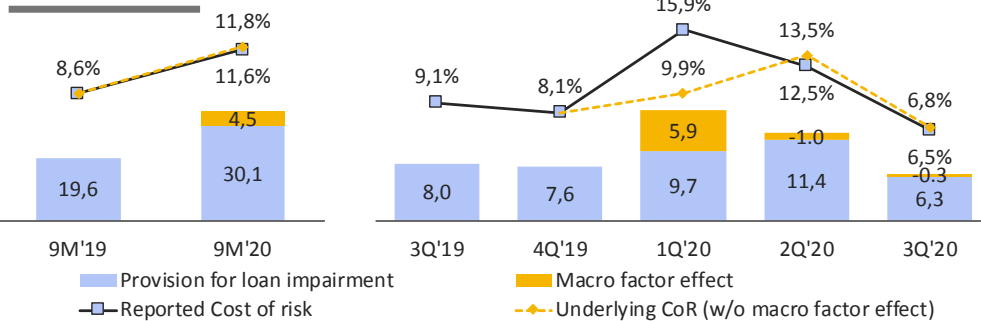
# Credit business: Net interest income and cost of risk

All currency data are in P bn unless otherwise stated

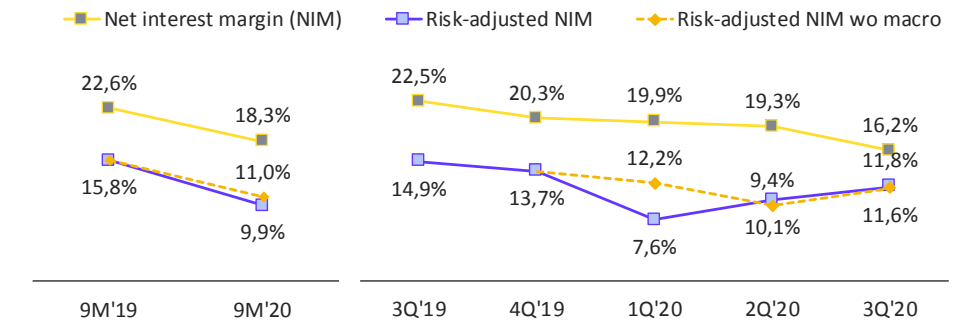
## NET INTEREST INCOME



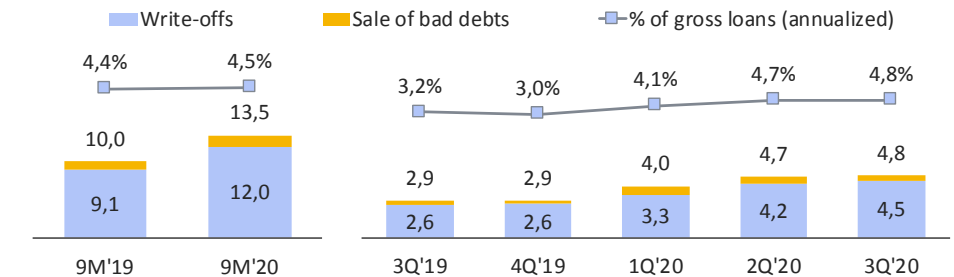
## COST OF RISK



## NET INTEREST MARGIN



## WRITE-OFFS / SALE OF BAD DEBTS



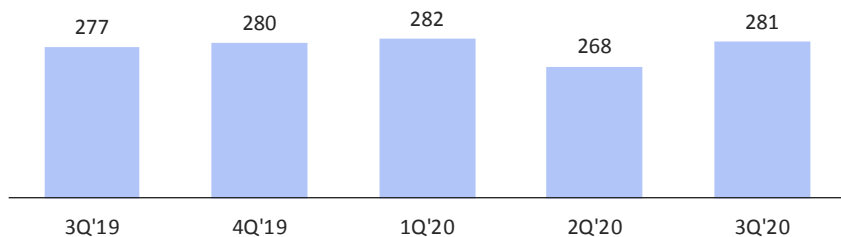
Reported cost of risk (incl. macro factor adjustments) declined q-o-q from 12.5% to 6.5%. As the economic situation turned out to be better than we had originally forecasted in 1Q'20, we reversed in 2Q and 3Q RUB 1.4bn out of the RUB 5.9bn macro factor adjustment made in 1Q'20.

Underlying cost of risk (excl. macro factor adjustments) significantly decreased q-o-q from 13.5% to 6.8%, driven by better performance of borrowers, including those who came out of restructuring programs

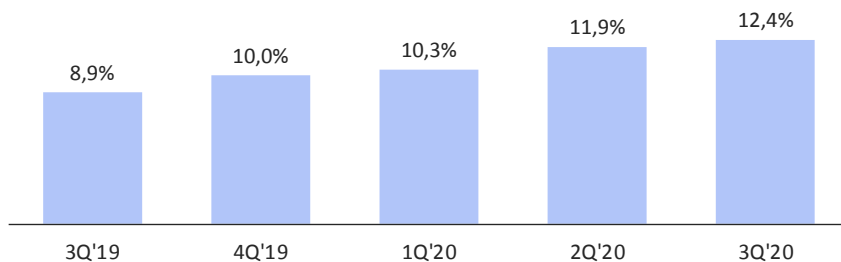
Risk adjusted NIM improved sequentially in 3Q'20 despite the q-o-q NIM decline

All currency data are in ₺ bn unless otherwise stated

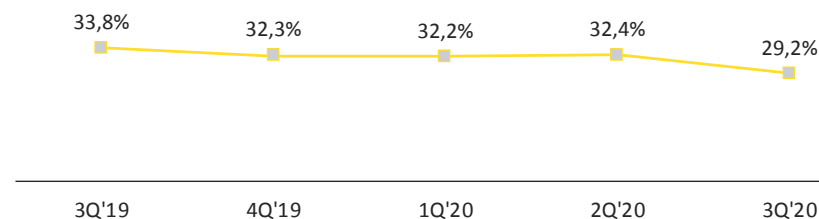
## NET UNSECURED LOANS



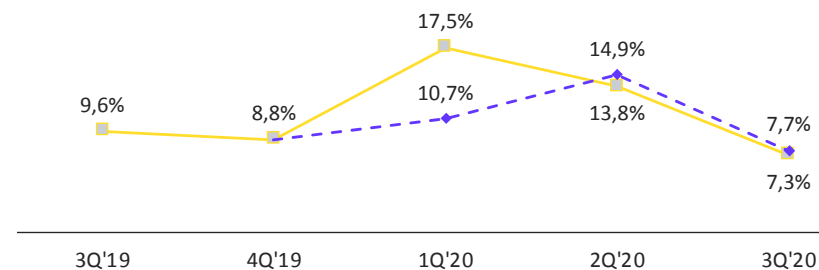
## NPL (% OF GROSS LOANS)



## GROSS INTEREST YIELD



## COST OF RISK (UNSECURED LOANS)



- Our unsecured loan portfolio returned to growth after a temporary slowdown in 2Q'20
- Interest yields resumed their downward decline after temporary resilience in 4Q'19 - 2Q'20

- Reported cost of risk declined q-o-q from 13.8% to 7.3%
- Underlying cost of risk declined q-o-q from 14.9% to 7.7%.

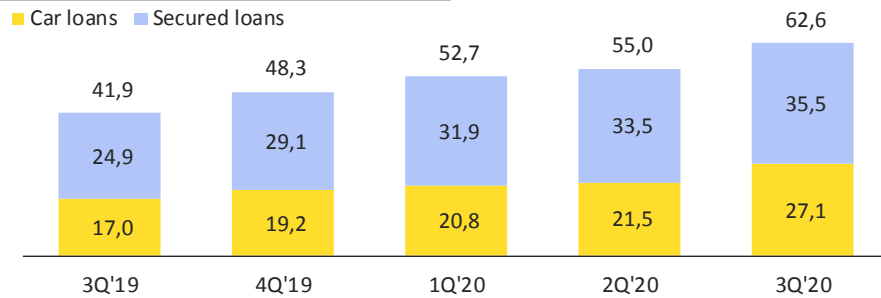


# Collateralized loans: a profitable portfolio diversifier

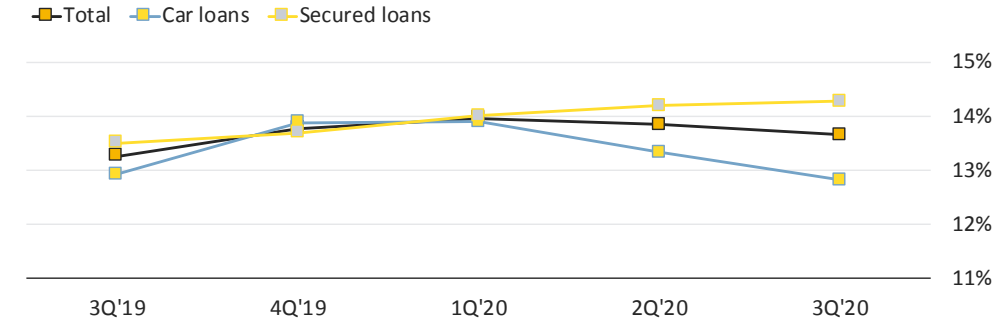


All currency data are in P bn unless otherwise stated

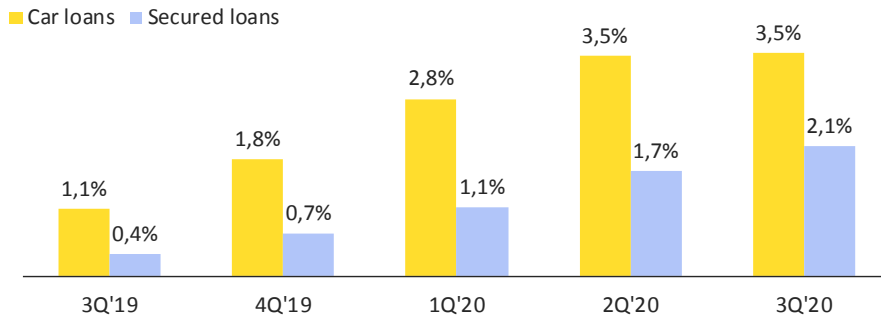
## NET COLLATERALIZED LOANS



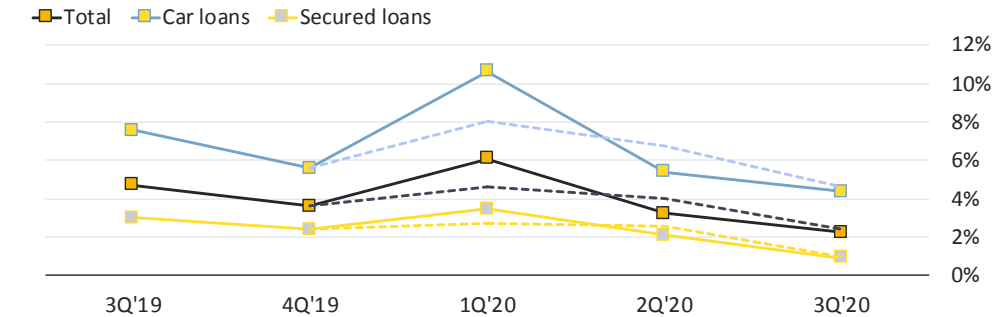
## GROSS INTEREST YIELD



## NPL (% OF GROSS LOANS)



## COST OF RISK (COLLATERALIZED LOANS)



- In 3Q'20, car loans drove total collateralized loans portfolio growth
- We remain optimistic about the prospects of this high margin, lower cost of risk portfolio
- Asset quality metrics continue to develop as the portfolio matures

- Underlying/Reported cost of risk changed in the following way in 3Q:
- Secured loans: from 2.6%/2.1% to 1.0%/0.9%
- Car loans: from 6.7%/5.4% to 4.6%/4.4%
- Total collateralized portfolio: from 4.0%/3.2% to 2.4%/2.2%

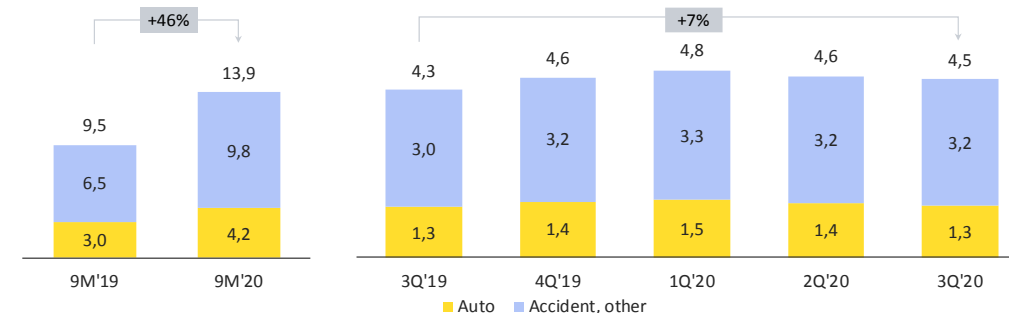
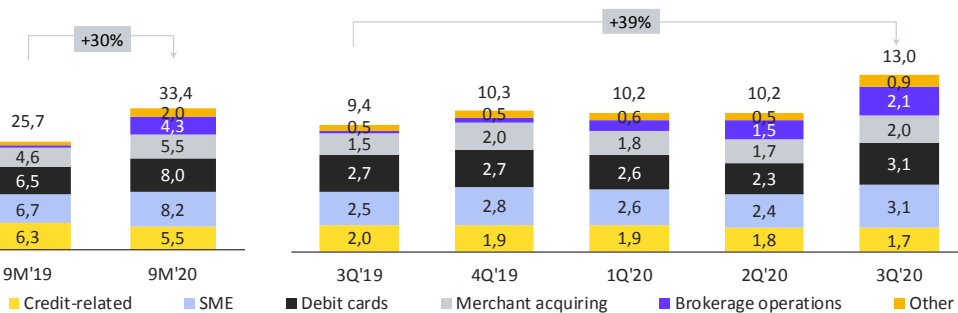
# Transactional & Servicing business: Continued customer growth across a resilient, high growth portfolio



All currency data are in P bn unless otherwise stated

## FEE AND COMMISSION INCOME

## INSURANCE PREMIUMS EARNED



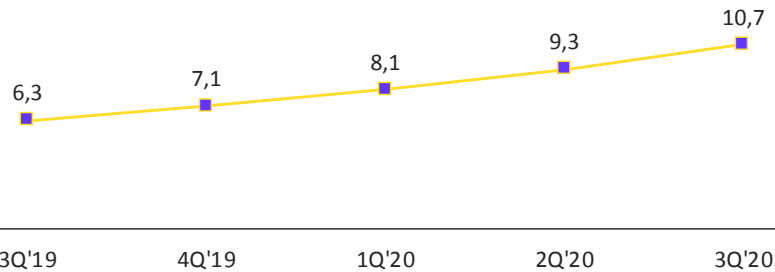
- Record-high quarterly revenue from SME, Investments and debit cards business lines lead to an impressive 39% y-o-y F&C income growth
- More selective underwriting of insurance customers led to a temporary slowdown in insurance premiums growth

# Current accounts: through-the-cycle customer acquisition platform

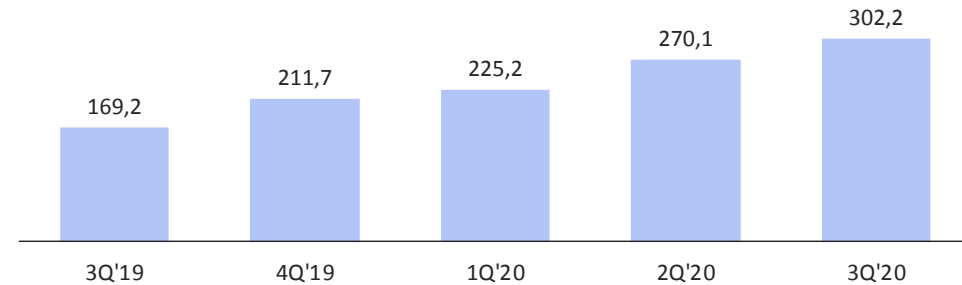


All currency data are in € bn unless otherwise stated

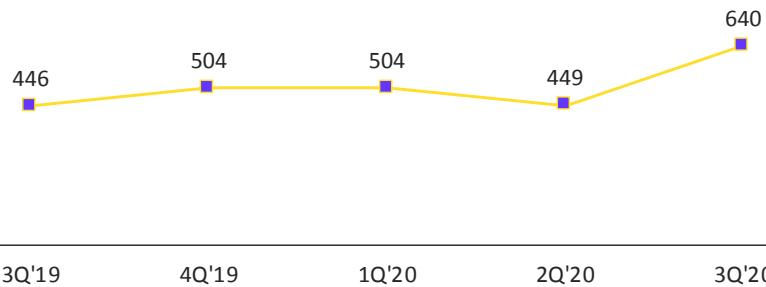
## CUSTOMERS (m)



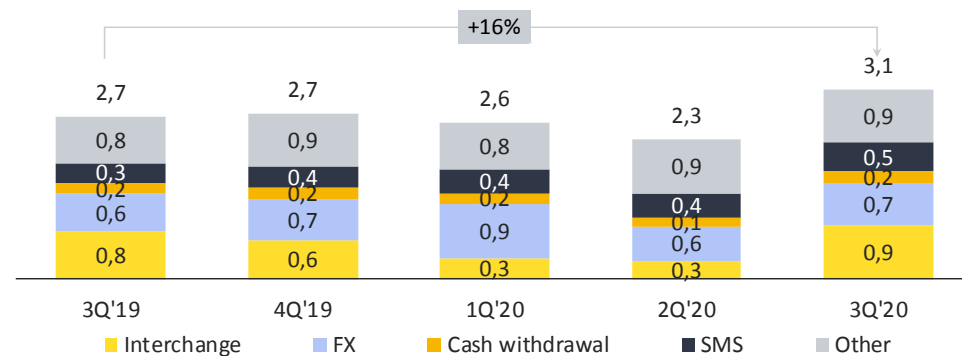
## BALANCES



## DEBIT CARDS TOTAL PAYMENT VOLUME (TPV)



## FEE AND COMMISSION INCOME



■ We purposely run this product line close to break-even as we see our current accounts business as the cornerstone of our customer relationship. Tinkoff Black customers are highly transactional, highly engaged, and more open to trying products and services in the Tinkoff suite

■ 10,7m current accounts opened is cast-iron proof of our exceptional UX design, attractive tariffs and superb customer service

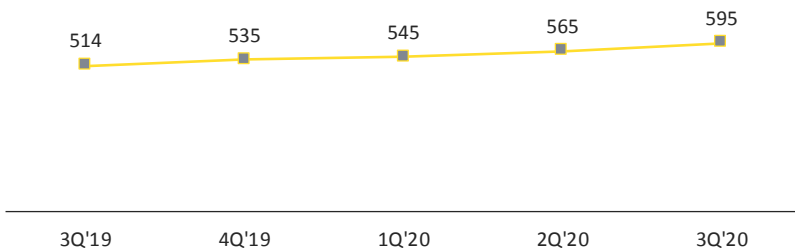
■ Customer base growth and ease of restrictive anti-pandemic measures led to the growth of interchange fees and as a result 16% y-o-y growth of fee and commission income

# SME: On track to improve results year-on-year

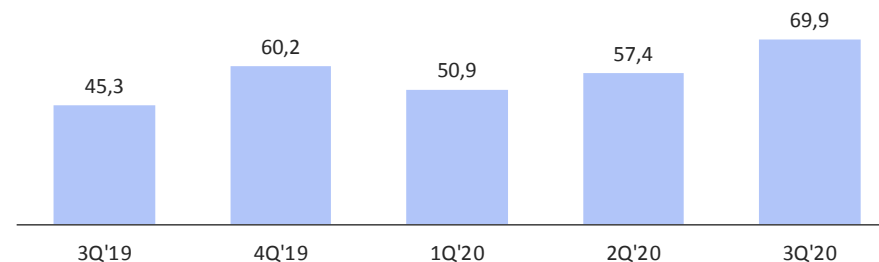


All currency data are in ₺ bn unless otherwise stated

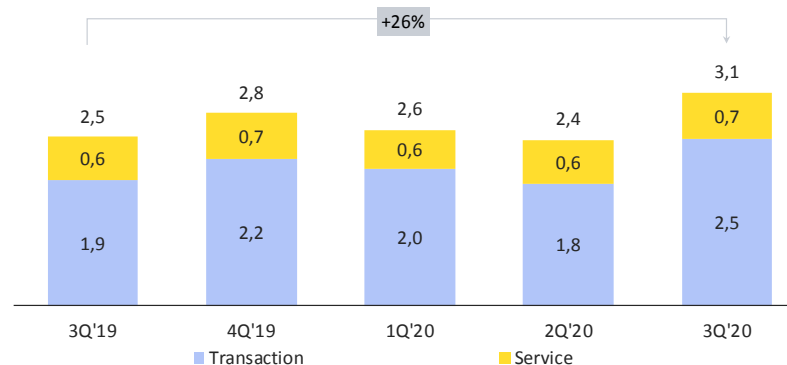
## CUSTOMERS ('000)



## BALANCES



## FEE AND COMMISSION INCOME



- Despite lockdown measures, our SME business showed continued growth in customer number and fee and commission income y-o-y
- We continue offering attractive terms and expanding the range of services for SME customers to support the customer base growth

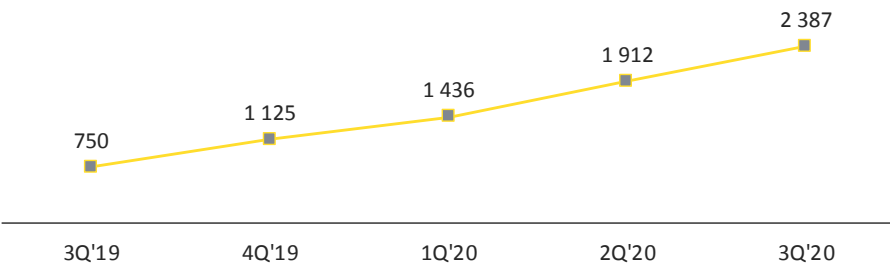
- During lockdown, Tinkoff SME clients benefitted from our ability to help them migrate to online payments, to do their accounting and tax reporting fully online through our cloud software, to build websites, to set up electronic documentation processes, to set up delivery services with partners, and to provide partner-financed credit lines to help companies through the crisis

# Tinkoff Investments: going from strength to strength

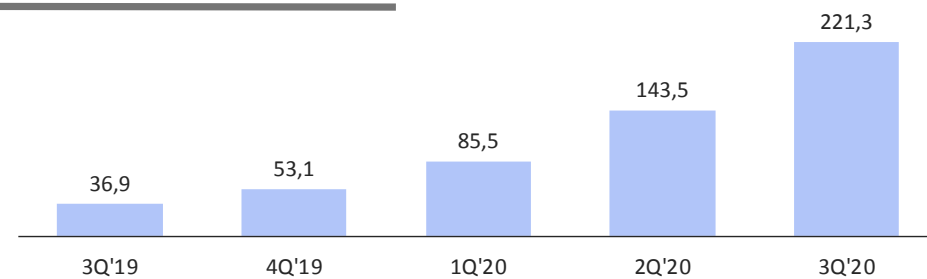


All currency data are in P bn unless otherwise stated

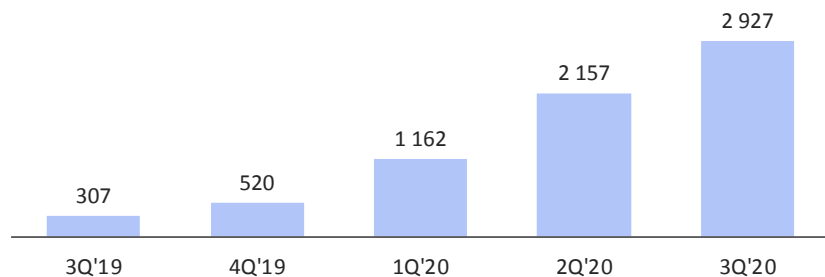
## CUSTOMERS ('000)



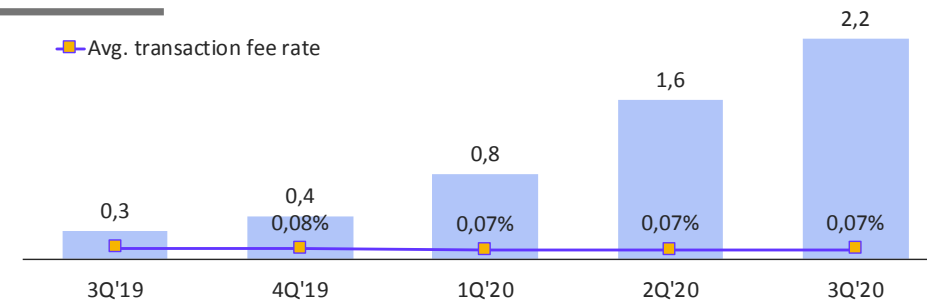
## ASSETS UNDER CUSTODY



## TRANSACTION VOLUMES



## REVENUE\*



- In 2020, Tinkoff Investments sharply grew its customer base, its transaction volumes, and its revenue
- #1 retail broker by the number of active users on MOEX throughout 2020, starting Dec 19

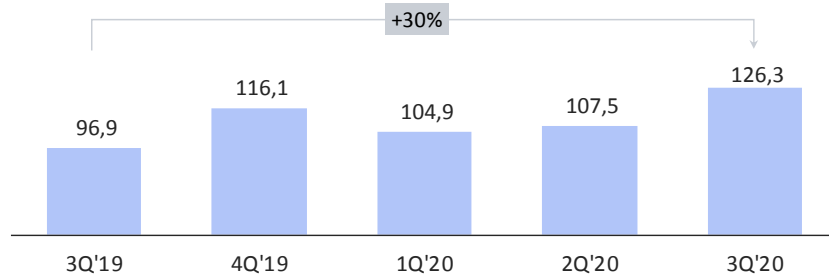
\*Includes all revenues including fee and commissions, FX revenues, and interest on cash balances

- Tinkoff Investments was named the winner in the Retail Brokerage Company category of the Stock Market Elite 2019
- Product improvement continues: our asset manager Tinkoff Capital launched Russia's first ETF that tracks the Nasdaq 100 Technology Sector Index

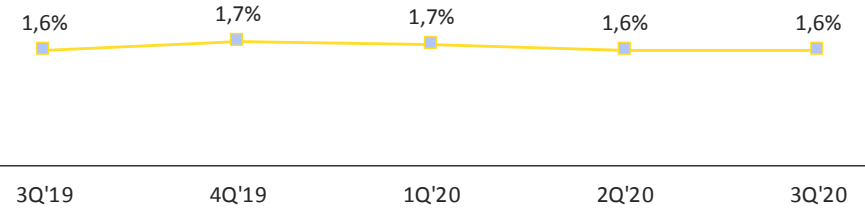
# Internet Acquiring: a play on Russian eCommerce

All currency data are in ₺ bn unless otherwise stated

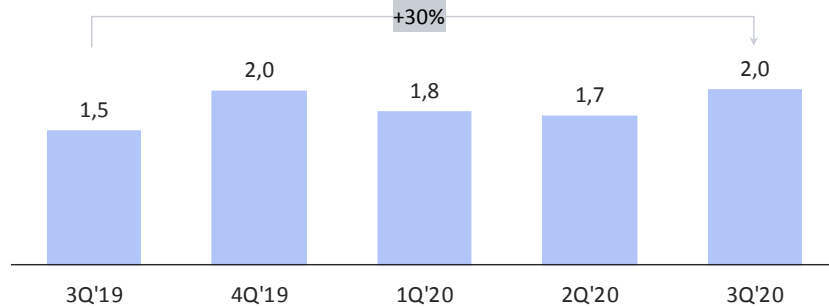
## TOTAL PAYMENT VOLUME (TPV)



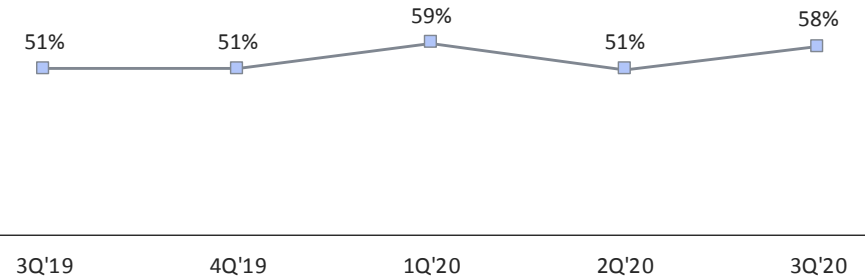
## GROSS ACQUIRING COMMISSION\*



## MERCHANT ACQUIRING COMMISSION



## SHARE OF DIRECT-TO-MERCHANT



- Steady business growth: turnover up 30% y-o-y along with revenue
- Important source of revenue: in 3Q'20 internet acquiring brought ₺ 2.0bn of fee income
- On track to become Russia's second largest online acquirer

- Direct share shows % of turnover generated by Tinkoff merchants without aggregators

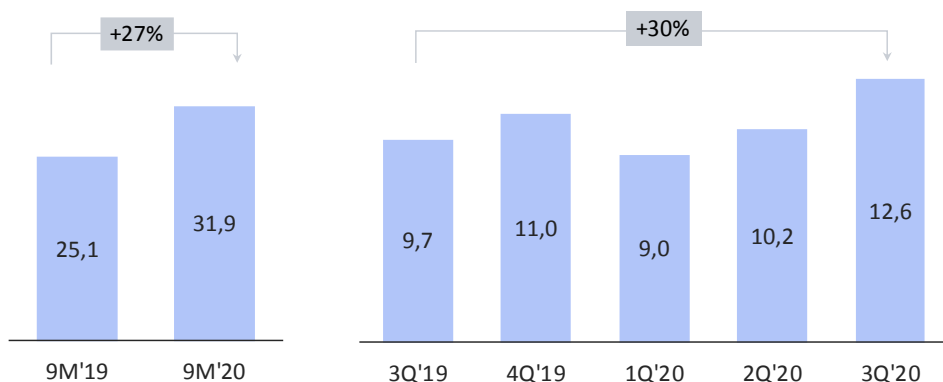
\*Gross acquiring commission is total fee and commission income divided by turnover

# Net income: solid result

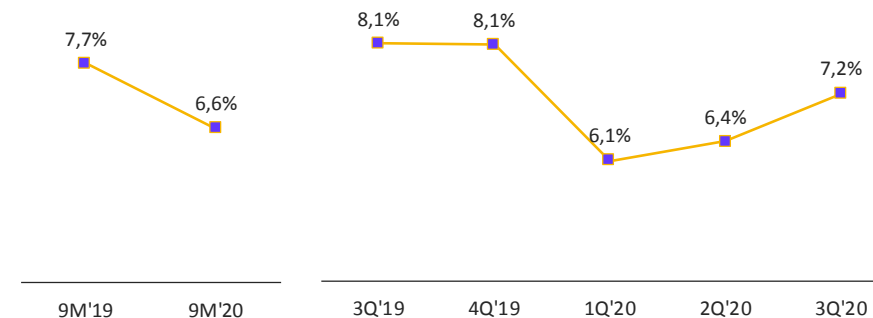


All currency data are in P bn unless otherwise stated

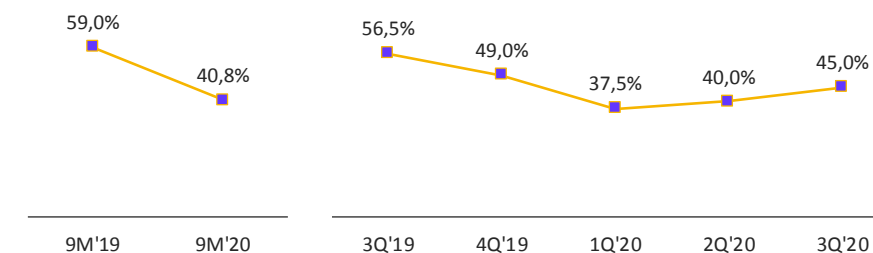
## NET INCOME



## RETURN ON ASSETS



## RETURN ON EQUITY



- Industry leading ROA of 7.2% and ROE of 45%
- Net income of RUB 12.6bn rose 30% y-o-y, supported by continued customer acquisition and monetization

## FY2020 guidance

Net loan portfolio growth	10% area
Cost of Risk	10-11%
Cost of Borrowing	4% area
Net profit	At least ₺42bn



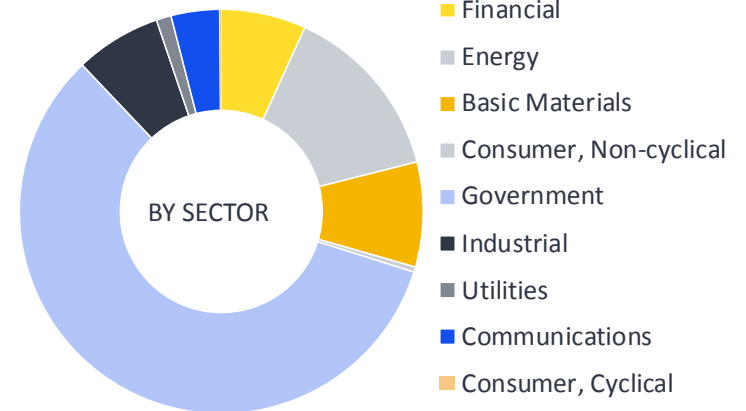
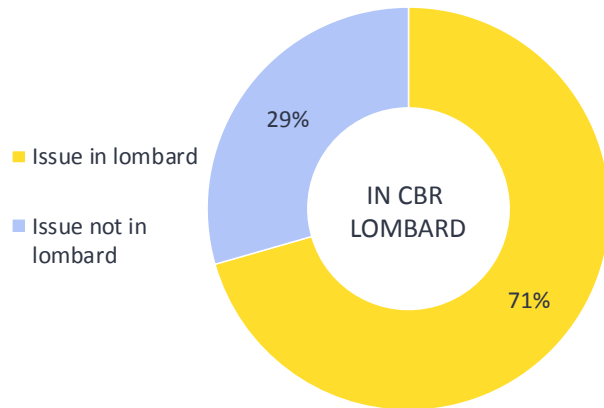
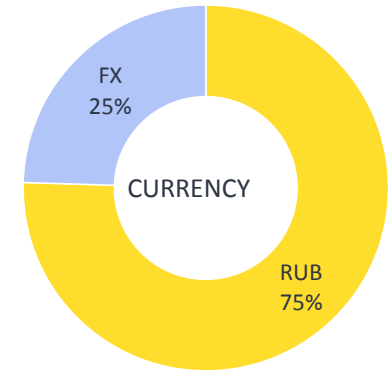
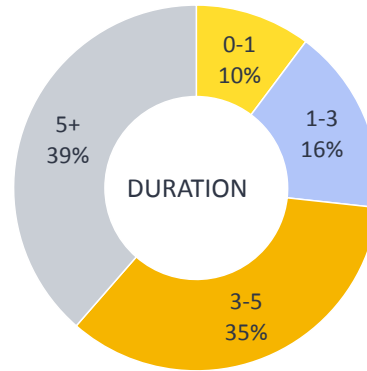
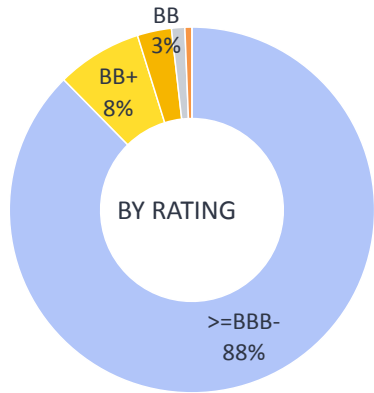


**Tinkoff**

## **Appendix 1. Supplementary financial information**

	Time frame	Implemented by Tinkoff
<b>Customer support measures</b>		
Higher unemployment benefits and social security payments	Mar-Dec 2020	
Government retail borrower payment holiday scheme (see slide 11)	Apr-Sep 2020	✓
Reduction in interchange and merchant acquiring fees for certain online categories	Apr-Sep 2020	✓
Tax and debt holidays for SMEs	Apr-Dec 2020	✓
0% loans to SMEs to continue paying salaries	Apr-Sep 2020	✓
<b>Bank support measures</b>		
Forbearance on revaluation of securities for capital calculation	Mar-Dec 2020	
Forbearance on use of FX rates for capital calculation	Mar-Dec 2020	
Forbearance on provisioning for restructured exposures and payment holidays	Apr-Sep 2020	✓
Lower deposit insurance charges from 0.15% to 0.10%	From Jul 2020	✓
Reduced cost for existing CBR irrevocable credit lines	Apr 2020-Mar 2021	
<b>Other</b>		
Interest on retail deposits and bond holdings above RUB 1 mn subject to 13% tax	End of 2020	✓
Dividend withholding tax to offshore companies to increase to 15%	End of 2020	✓

# Structure of the treasury portfolio



- Financial
- Energy
- Basic Materials
- Consumer, Non-cyclical
- Government
- Industrial
- Utilities
- Communications
- Consumer, Cyclical

# Key financial results

All currency data are in P bn unless otherwise stated

<b>Income statement</b>	<b>3Q'20</b>	<b>2Q'20</b>	<b>Change</b>	<b>9M'20</b>	<b>9M'19</b>	<b>Change</b>
Interest income	30.2	32.3	-6%	94.0	80.8	16%
Net margin	24.4	26.4	-8%	76.2	63.9	19%
Provision charge for loan impairment	6.6	12.4	-47%	34.6	19.6	77%
Customer acquisition expense	5.5	4.1	33%	13.6	13.9	-2%
Administrative and other operating expenses	8.9	8.8	1%	25.2	20.5	23%
Profit before tax	15.9	13.1	21%	40.7	32.2	27%
Profit for the period	12.6	10.2	23%	31.9	25.1	27%
<b>Balance Sheet</b>	<b>30-Sep-20</b>	<b>30-Jun-20</b>	<b>Change</b>	<b>30-Sep-19</b>	<b>Change</b>	
Cash and treasury portfolio	311.6	288.5	8.0%	139.4	124%	
Loans and advances to customers	346.3	324.2	6.8%	319.9	8%	
Total assets	725.6	669.2	8%	507.6	43%	
Customer accounts	513.4	473.9	8%	346.7	48%	
Total liabilities	609.1	561.2	9%	424.2	44%	
Total equity	116.5	108.1	8%	83.4	40%	
<b>Ratios</b>	<b>3Q'20</b>	<b>2Q'20</b>	<b>Change</b>	<b>9M'20</b>	<b>9M'19</b>	<b>Change</b>
ROAE	45.0%	56.5%	-11.5 p.p.	40.8%	59.0%	-18.2 p.p.
ROAA	7.2%	8.1%	-0.9 p.p.	6.6%	7.7%	-1.1 p.p.
Net interest margin	16.2%	22.5%	-6.2 p.p.	18.3%	22.6%	-4.3 p.p.
Cost/Income (incl. acquisition expenses)	38.2%	34.1%	4 p.p.	34.3%	38.4%	-4.1 p.p.
Cost of risk	6.5%	9.1%	-2.6 p.p.	11.6%	8.6%	3 p.p.

## Historical RWs increase for unsecured retail lending

% (PSK) range	RWs since				
	Jan-14	Mar-17	May-18	Sep-18	Apr-19
10-15%	100%	100%	100%	120%	150%
15-20%	100%	100%	110%	140%	170%
20-25%	100%	110%	120%	170%	200%
25-30%	110%	140%	140%	200%	230%
30-35%	110%	300%	300%	300%	300%
35-45%	140%	600%	600%	600%	600%
45-60%	300%	600%	600%	600%	600%
>60%	600%	600%	600%	600%	600%
Secured loans	100%	100%	100%	100%	100%

## RW for unsecured loans since 1-Sep-20

PSK \ PTI	0-30%	30-40%	40-50%	50-60%	60-70%	70-80%	80%+
0-10%	100%	100%	100%	110%	130%	150%	180%
10-15%	100%	100%	100%	120%	140%	160%	190%
15-20%	120%	120%	120%	160%	190%	200%	230%
20-25%	150%	150%	150%	200%	230%	240%	270%
25-30%	190%	190%	190%	240%	260%	280%	300%
30-35%	300%	300%	300%	310%	320%	330%	350%
35%+	500%	500%	500%	500%	500%	500%	500%

\* SIFI means Systemically Important Financial Institution

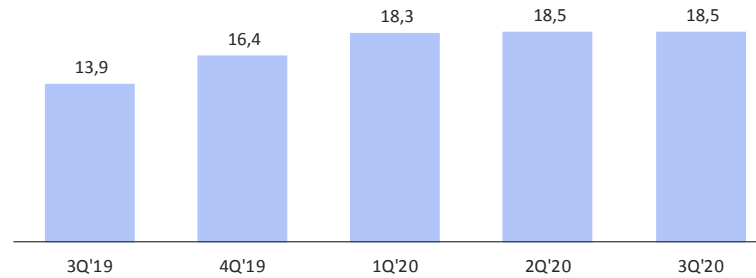
## Basel III capital requirements

		Jan-19	Apr-19	Jul-19	Oct-19	Jan-20
Minimum base core Tier 1 ratio		4.500%	4.500%	4.500%	4.500%	4.500%
Capital conservation buffer	<b>№1.1</b>	1.875%	2.000%	2.125%	2.250%	2.500%
<b>Total min core Tier 1 for all banks</b>		<b>6.375%</b>	<b>6.500%</b>	<b>6.625%</b>	<b>6.750%</b>	<b>7.000%</b>
SIFI* buffer		0.650%	0.650%	0.650%	0.650%	1.000%
Total min core Tier 1 for SIFI*	<b>№1.1</b>	7.025%	7.150%	7.275%	7.400%	8.000%
Additional Tier 1 ratio		1.500%	1.500%	1.500%	1.500%	1.500%
<b>Total min Tier 1 (non-SIFI)</b>	<b>№1.2</b>	<b>7.875%</b>	<b>8.000%</b>	<b>8.125%</b>	<b>8.250%</b>	<b>8.500%</b>
Total min Tier 1 for SIFI*		8.525%	8.650%	8.775%	8.900%	9.500%
Tier 2 ratio		2.000%	2.000%	2.000%	2.000%	2.000%
<b>Total min CAR (non-SIFI)</b>	<b>№1.0</b>	<b>9.875%</b>	<b>10.000%</b>	<b>10.125%</b>	<b>10.250%</b>	<b>10.500%</b>
Total min CAR for SIFI*		10.525%	10.650%	10.775%	10.900%	11.500%

\* SIFI means Systemically Important Financial Institution

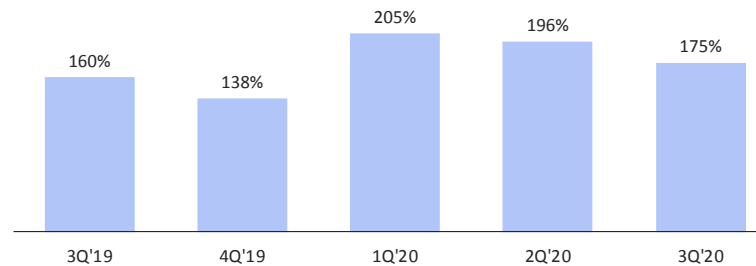
All currency data are in P bn unless otherwise stated

## LTM GROSS WRITTEN PREMIUMS



## CAPITAL ADEQUACY\*

\*Actual capital / Regulatory capital



- Ample capital buffers for our insurance business growth plans



**Tinkoff**

## **Appendix 2. Transactional business lines: description and economics**

## TINKOFF BLACK DEBIT CARD

### Everyday purchases

- 3.5% interest on balance
- 1% cashback on all purchases
- >5% cashback on special categories
- Up to 30% cashback on selected merchants
- Loyalty programmes and co-brands
- Free cash withdrawal in any ATM worldwide

### Payments

- Convenient interface in the internet and mobile banks
- Automatic and regular payments
- Support of CB fast payments by phone number (NEW)
- Payments to/from Sberbank by phone number (NEW)
- Free ingoing and outgoing C2C transfers

### Multicurrency support

- Narrow FX spread (0,5%) and online exchange rate
- Money transfers
- Multicurrency cards (NEW) and deposits
- Accounts in 30 currencies (NEW)

### Lifestyle banking

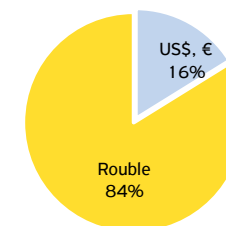
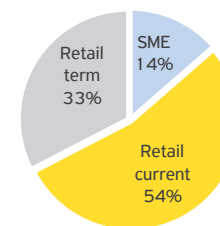
- Cashbacks for entertainment (NEW)
  - Restaurants
  - Cinema
  - Theaters
  - Concerts
- Tinkoff Travel Cashback
- Stories
- Tinkoff Junior (NEW)
- Premium and Metal cards (NEW)

## RETAIL TERM DEPOSITS

- Opened and serviced online and via Tinkoff's smart couriers
- Free withdrawals and top-ups via ATMs, terminals or bank transfers
- Competitive interest rates and features, multiple currencies

## SAVINGS ACCOUNTS

- 3% interest
- You can open a savings account and save for your personal goals

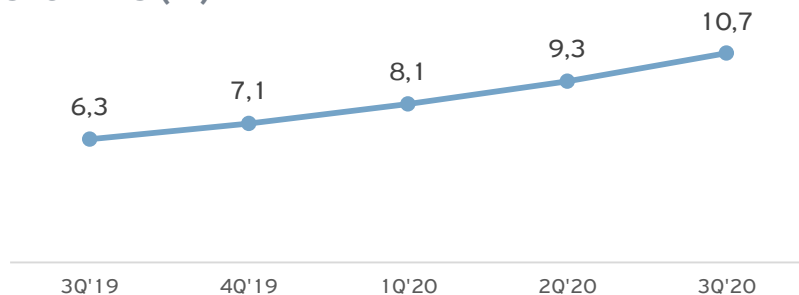




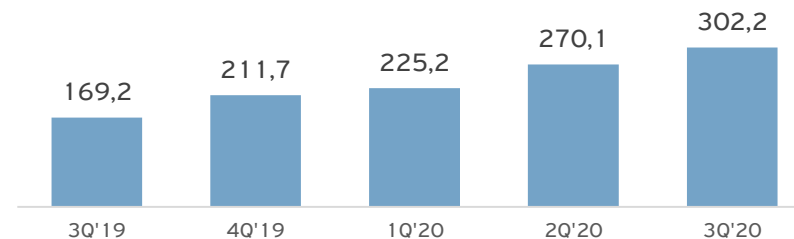
# Transactional business: Current accounts

All currency data are in € bn unless otherwise stated

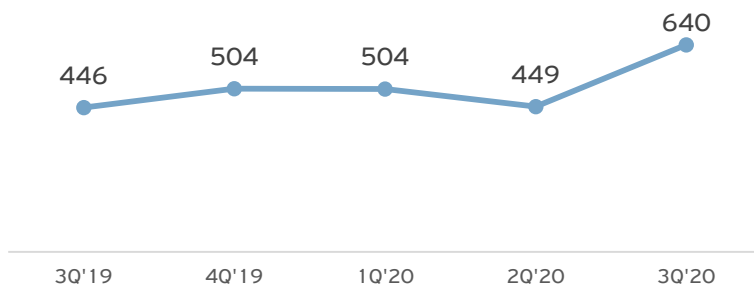
## CUSTOMERS (m)



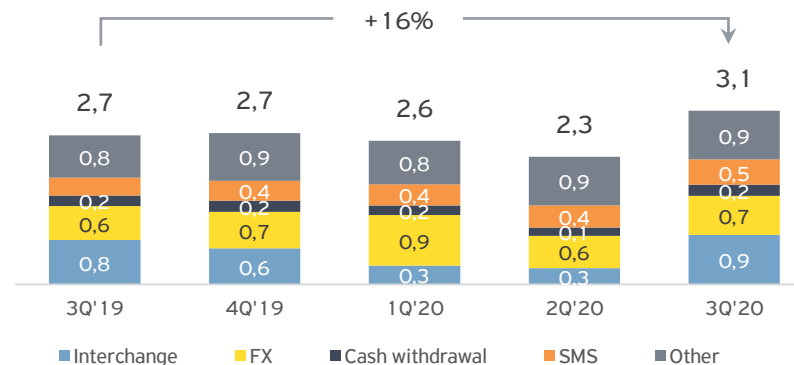
## BALANCES



## DEBIT CARDS TRANSACTIONS VOLUME



## FEE AND COMMISSION INCOME

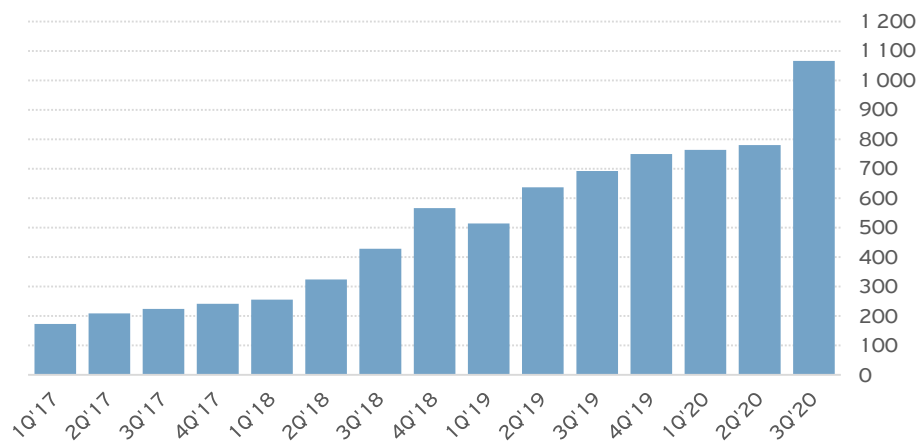


■ We purposely run this product line close to break-even as we see our current accounts business as the cornerstone of our customer relationship. Tinkoff Black customers are highly transactional, highly engaged, and more open to trying products and services in the Tinkoff suite

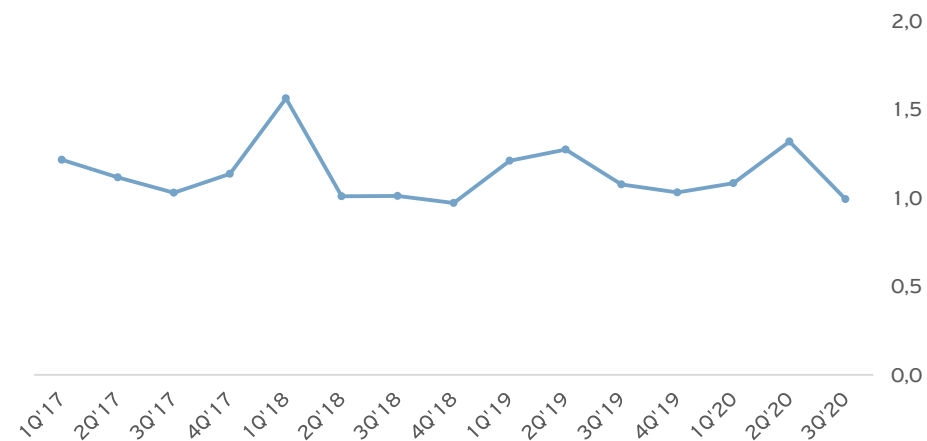
■ 10.7m million current accounts opened is cast-iron proof of our exceptional UX design, attractive tariffs and superb customer service

■ Fee & commission income rose y-o-y in spite of the impact of lockdown measures on transaction volumes

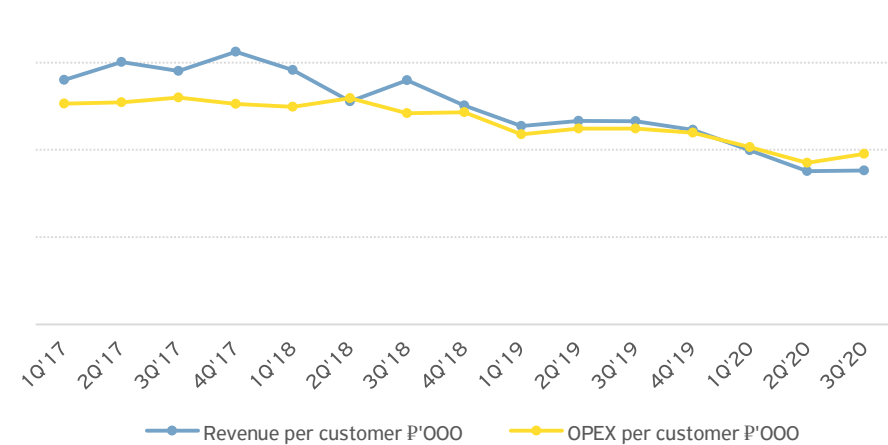
### NEW CUSTOMERS ('000)



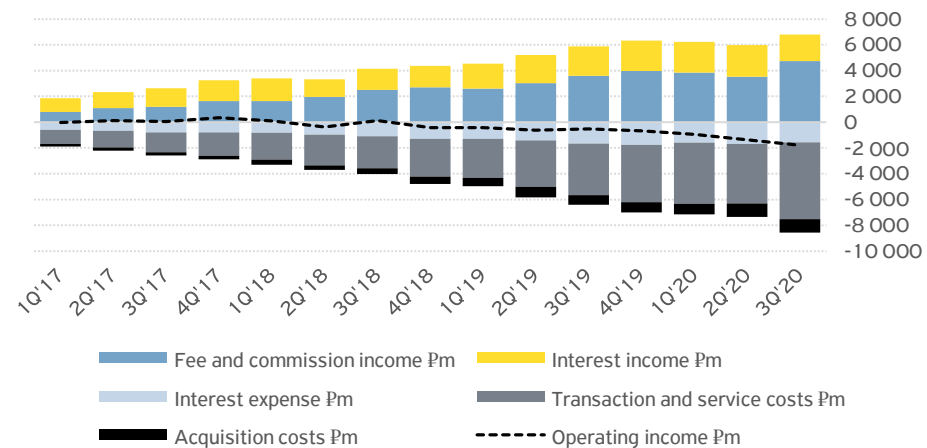
### CAC (P'000)



### UNIT ECONOMICS



### BUSINESS LINE P&L



## CREDIT CARDS

- Flagship credit card product with premium features for mass and affluent customers
- Co-brands and loyalty programmes
- 55-day grace period
- Free repayments
- Free 24/7 call centre coverage
- International acceptance anywhere on the Mastercard or VISA networks
- Regular limits reviews
- Partner-based installment loans - 0% interest rate for up to 12 months. c.100 partner offers for all credit card customers

## CASH LOANS

- Just with one documents - a state registered ID
- Cash-in on a debit card
- Over 50% of issuance - to Tinkoff customer base
- Up to RUB500k for non-Tinkoff customers and up to RUB2mn for Tinkoff current account customers with positive track-record and risk profile
- Low acquisition cost due to organic and cross-sell nature of growth
- No cannibalization of credit cards traffic

## HOME EQUITY LOANS

- Cash loans secured by an apartment or a car
- Programme loan size is up to RUB10mn, and tenor of 10 years max
- Collateral – apartments in apartment blocks, housing property, car
- Just one document – a state registered ID, partial loan amount directly debited on Tinkoff Black current account upon credit decision; following registration of collateral in RosReestr (Real Estate Register) the full amount of loan becomes available for a customer
- Tinkoff fully conducts the origination process, including valuation, verification and registration of collateral. The involvement of customer in this process is nil
- This is still a tiny segment of our overall credit business, we continue to test distribution, gather data and build our models

## POS LOANS

- Point-of-sale unsecured lending for customers to pay for their purchases at online and offline retailers
- Offered to both existing and new customers of Tinkoff
- Low loan size and short loan duration
- P&L neutral product – the main goal of the product is a cross-sell to credit cards
- c.20% of POS monthly issuance converted to credit cards

## CAR LOANS

- Two sales channels: dealers (launched 1H2018) and direct (launched in 2H2018)
- Focus on second-hand car market with higher interest rates and lower competition vs new cars market
- Loans through dealerships:
  - Our own exclusive and best in class IT solution of loan issuance through dealerships
  - Swift online verification
  - Synergy with Tinkoff Insurance
- Direct car loans:
  - Partnerships with main classified sites – auto.ru, drom.ru and others
  - Own internet acquisition channels, including cross-sell to existing customer base
- This is still a tiny segment of our overall credit business, we continue to test distribution, gather data and build our models



## Tinkoff Business ecosystem

### Cash Management & Payments

- Internet and POS acquiring
- Payroll programmes
- Tax and Currency Control
- Customs and Logistics
- ATMs
- API
- Cash-in and cash collection

### Accounting and State Authorities

- Self-service accounting
- Cloud accounting
- Management accounting
- Qualified e-signature
- Legal and tax consulting

### Lending

- Overdrafts and bank guarantees for select clients
- SME-loan brokerage
- Loans for select clients

### Sales Generator

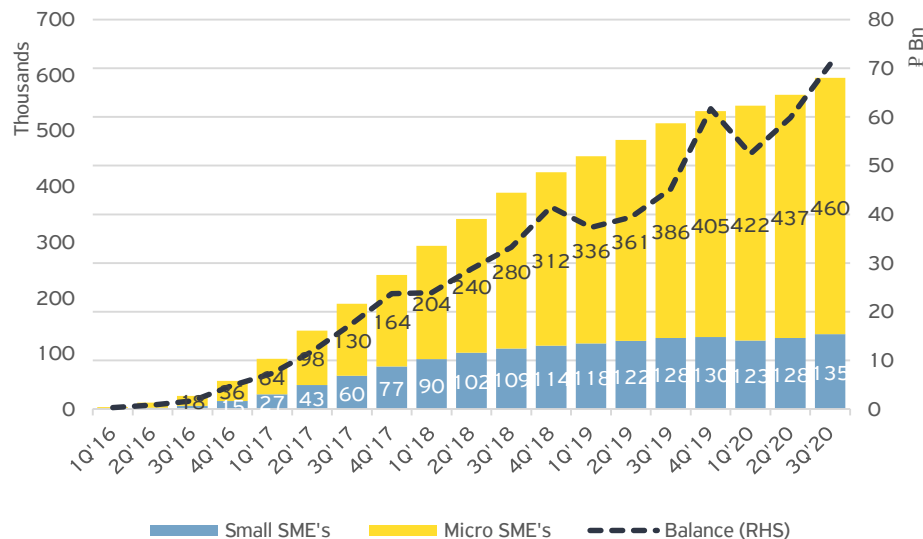
- Cloud CRM
- B2B trading
- Call-center services
- Targeting
- POS lending

### Start-up your business with Tinkoff

- Registration of new entities
- Start-up incubator (franchises)
- University of an entrepreneur
- HR agency

## TINKOFF BUSINESS GROWTH DYNAMICS

(# of accounts)\*\*



\* Small SME (legal entities up to 20 employees), micro SME (individual entrepreneurs) \*\* Management accounts  
Source: Bank's analytics based on CBR 101 form

## TINKOFF MICRO SME'S IS A TOP-5 PLAYER

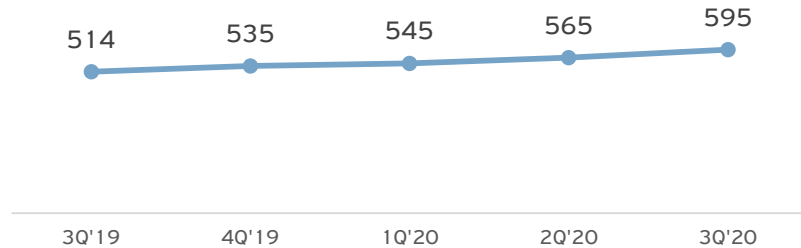
#	Bank	1-Oct-20 P bn	Share	2019 P bn	2018 P bn
1	Sberbank	344	36.8%	274	213
2	VTB Bank	99	10.6%	77	64
3	Alfa-Bank	98	10.5%	85	59
4	Rosselkhozbank	55	5.9%	42	38
5	Tinkoff Bank	51	5.4%	39	25
6	FC Otkritie	42.9	4.6%	37.9	23.3
7	Raiffeisenbank	24.2	2.6%	21.2	15.7
8	URALSIB	16.4	1.8%	14.4	12.7

# SME: Strengthening our competitive advantage

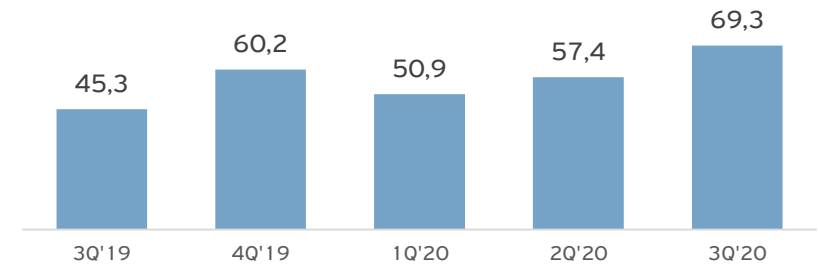


All currency data are in P bn unless otherwise stated

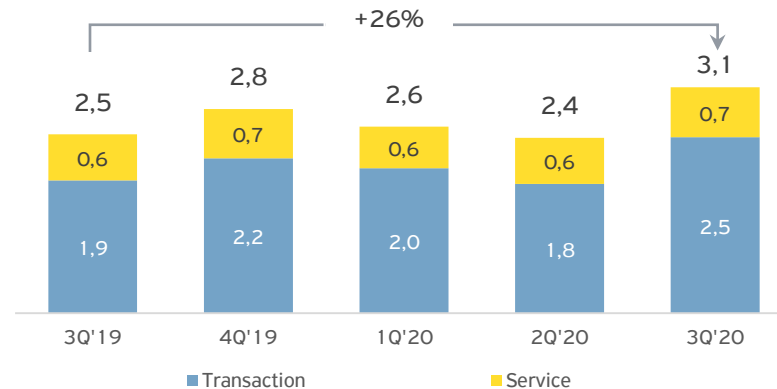
## CUSTOMERS ('000)



## BALANCES



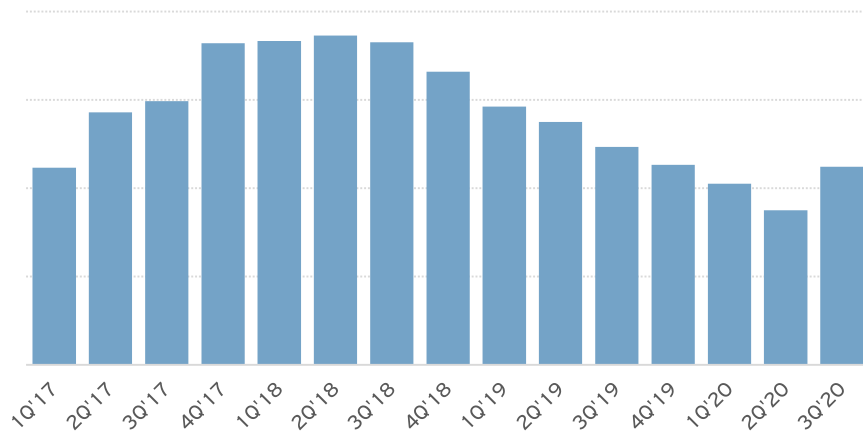
## FEE AND COMMISSION INCOME



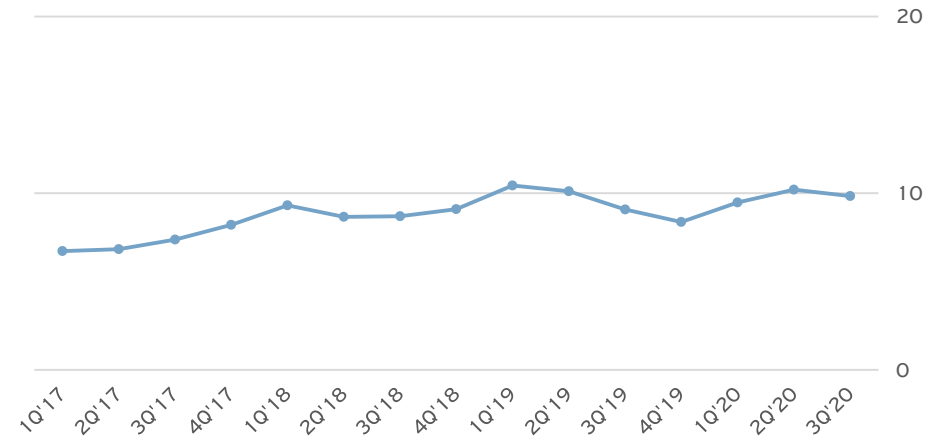
- Despite lockdown measures, our SME business showed continued growth in customer number and fee and commission income y-o-y
- We continue offering attractive terms and expanding the range of services for SME customers to support the customer base growth

- During lockdown, Tinkoff SME clients benefitted from our ability to help them migrate to online payments, to do their accounting and tax reporting fully online through our cloud software, to build websites, to set up electronic documentation processes, to set up delivery services with partners, and to provide partner-financed credit lines to help companies through the crisis

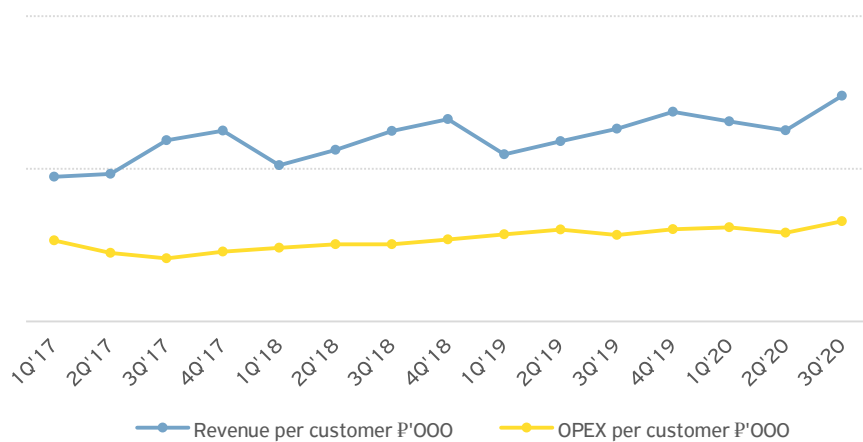
### NEW CUSTOMERS ('000)



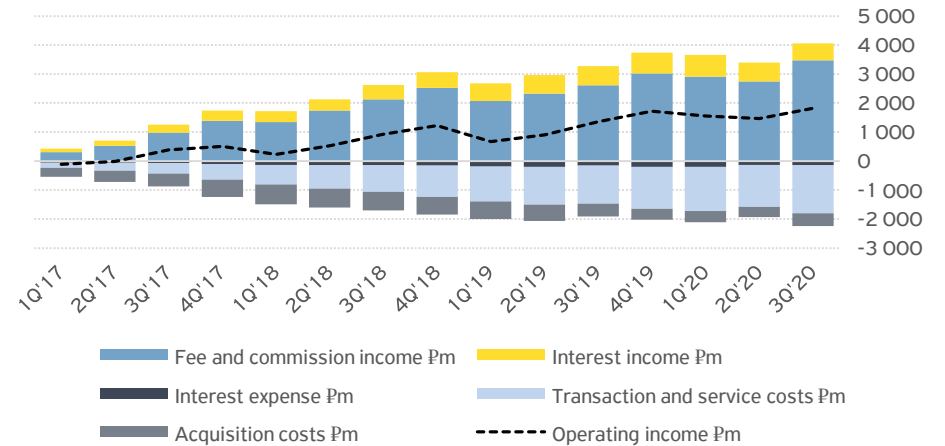
### CAC (P'000)



### UNIT ECONOMICS



### BUSINESS LINE P&L



### For different type of investors:

- Individual Investment Accounts
- Retail Brokerage Accounts
- Investor – for passive investors
- Trader – for active traders
- Premium – for affluent customers

### Various investment instruments:

- Shares
- ETFs
- Currency exchange
- Bonds
- Investment life insurance

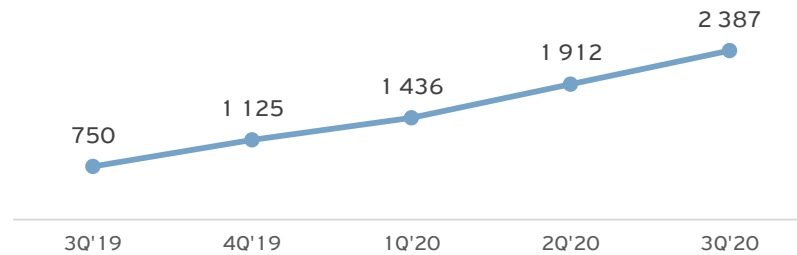
### Tools:

- Roboadvisor
- Analytics
- Personal manager
- Direct debit/credit from/to current account
- T+0

### 2019 snapshot

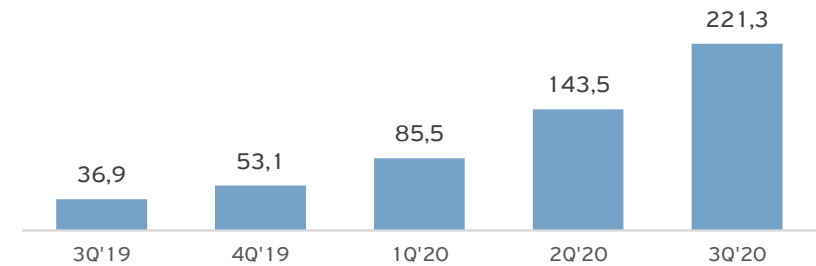
- #1 by number of newly opened accounts on MOEX (c.200k acc/mos)
- Average balance RUB285k
- DAU 400k
- MAU 1 100k

## CUSTOMER ACCOUNTS ('000)

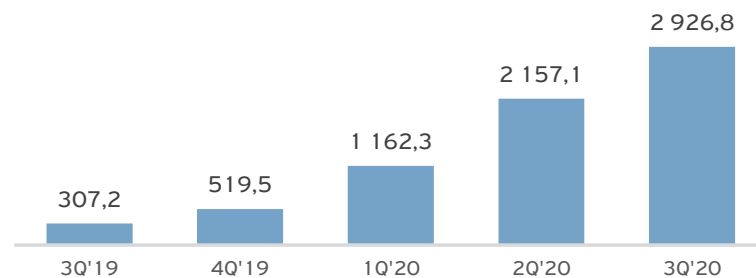


## BALANCES

All currency data are in ₺ bn unless otherwise stated

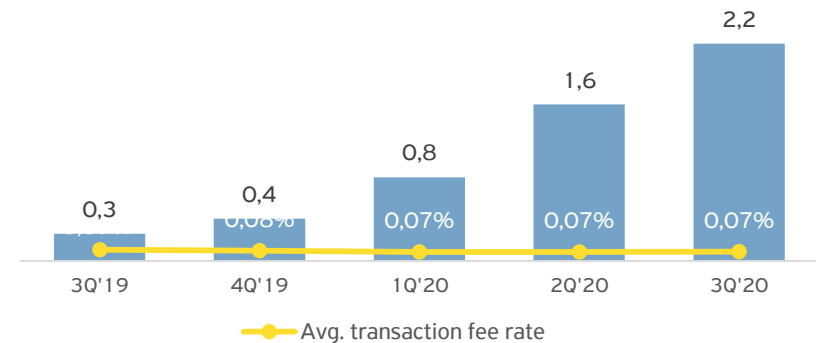


## TRANSACTION VOLUMES

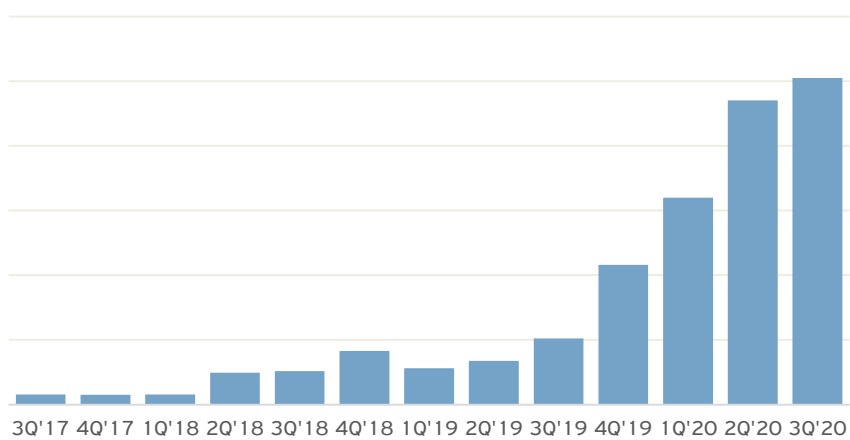


\* Management accounts

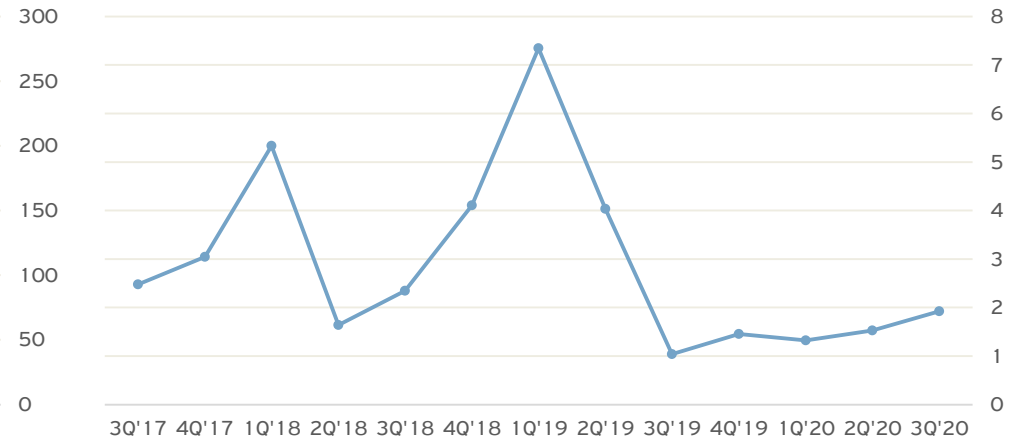
## FEE AND COMMISSION INCOME



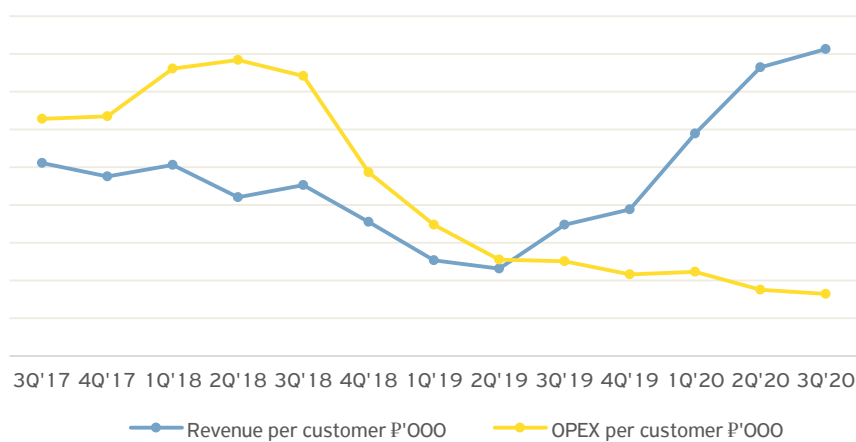
### NEW CUSTOMERS ('000)



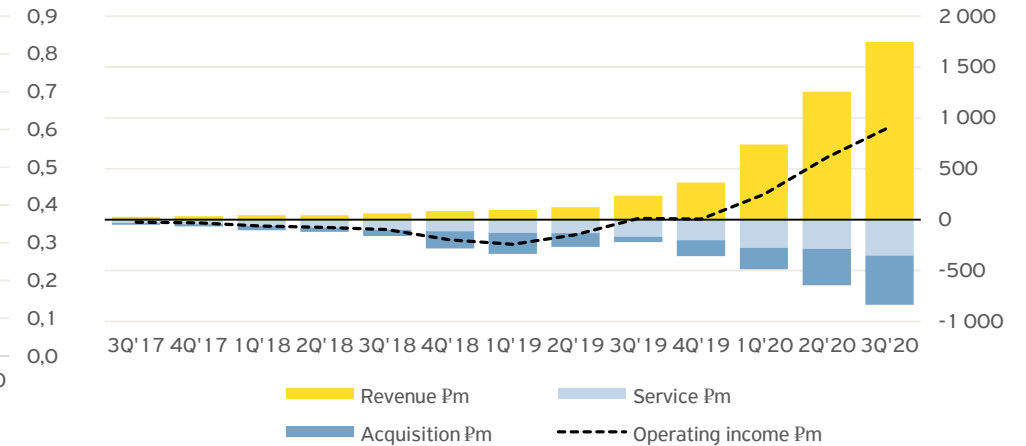
### CAC (P'000)



### UNIT ECONOMICS



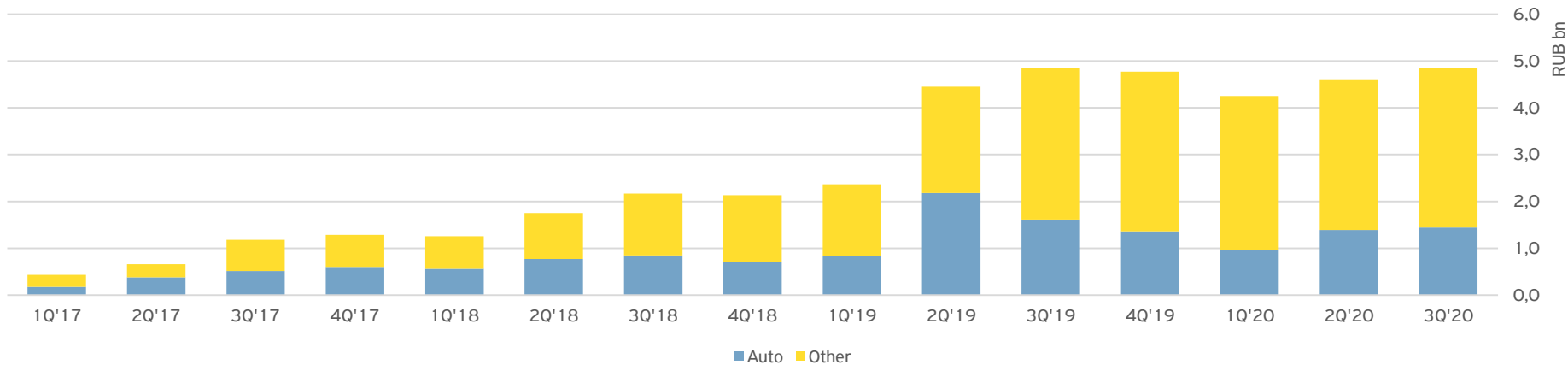
### BUSINESS LINE P&L



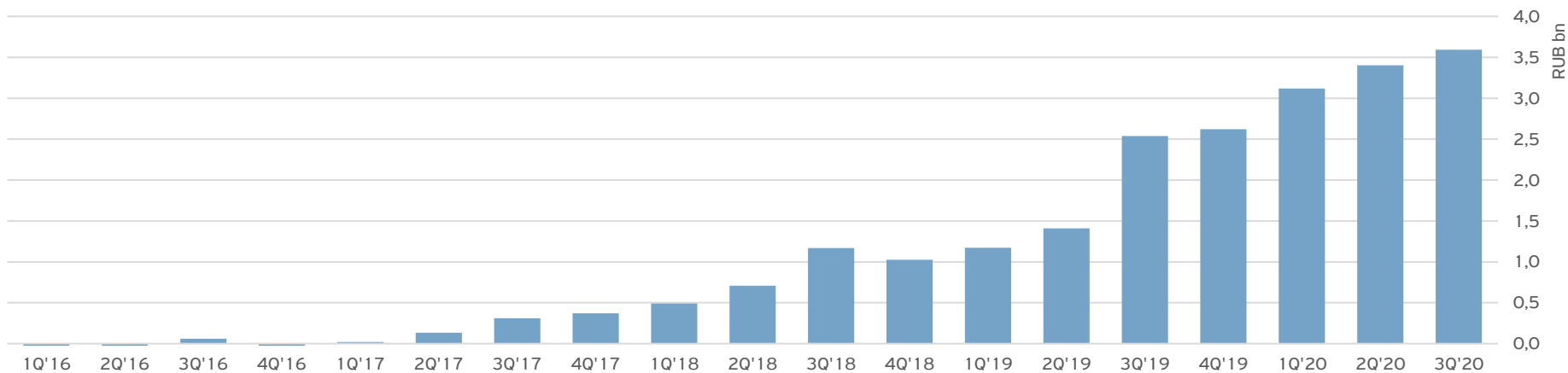


- Car insurance: OSAGO/KASKO
- Travel insurance
- Property insurance
- Life insurance

Gross written premiums\*

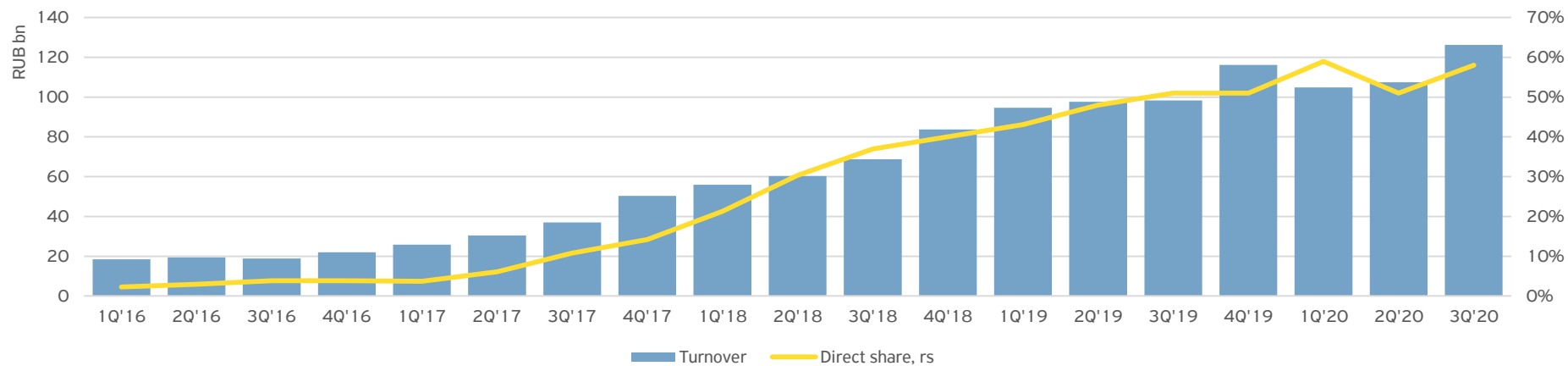


Segment result

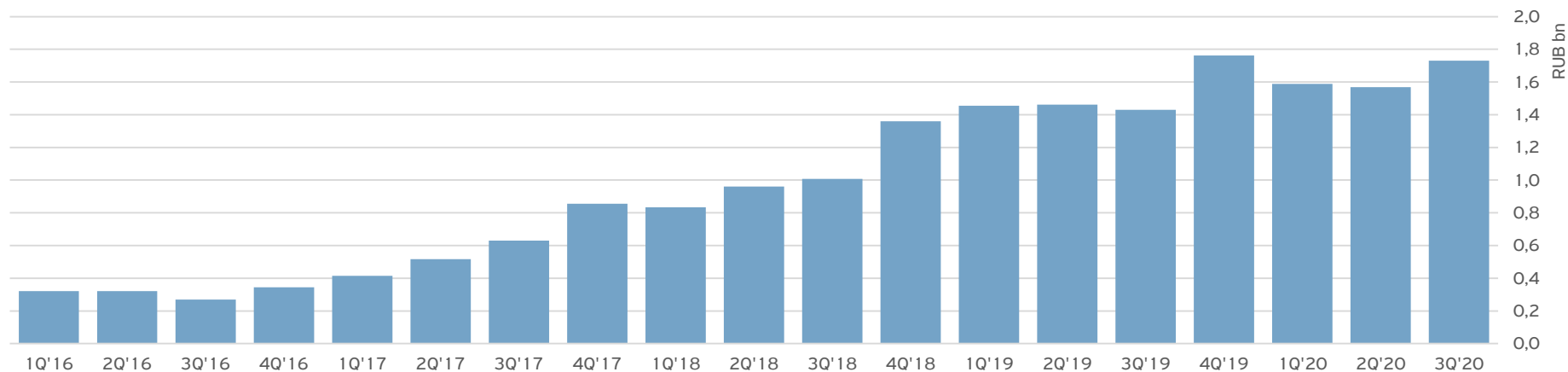


\* Management accounts

Total turnover and breakdown\*



Fee and commission income





**Tinkoff**

## **Tinkoff Investor Relations**



[ir@tinkoff.ru](mailto:ir@tinkoff.ru)

<https://tinkoffgroup.com/financials/presentations/>