

# GROUP OVERVIEW

1H21

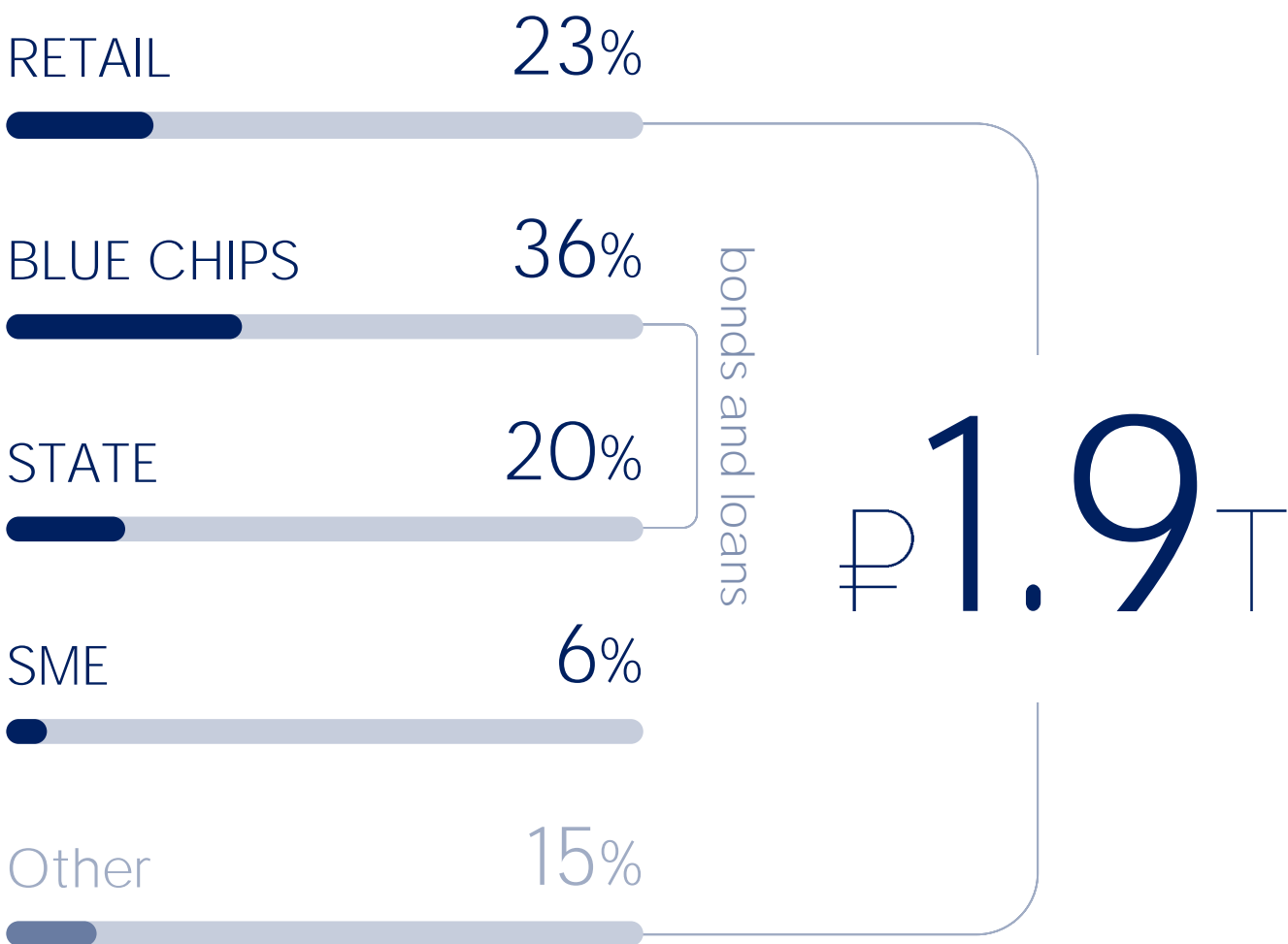


# AT A GLANCE

AS AT 30.06.2021 / FOR 1H21

CREDIT RATINGS <sup>1</sup>	
FITCH	BB+ stable
MOODY'S	Ba1 stable
S&P	BB positive
ACRA	AA- stable
EXPERT RA	AA stable
NCR	AA- stable

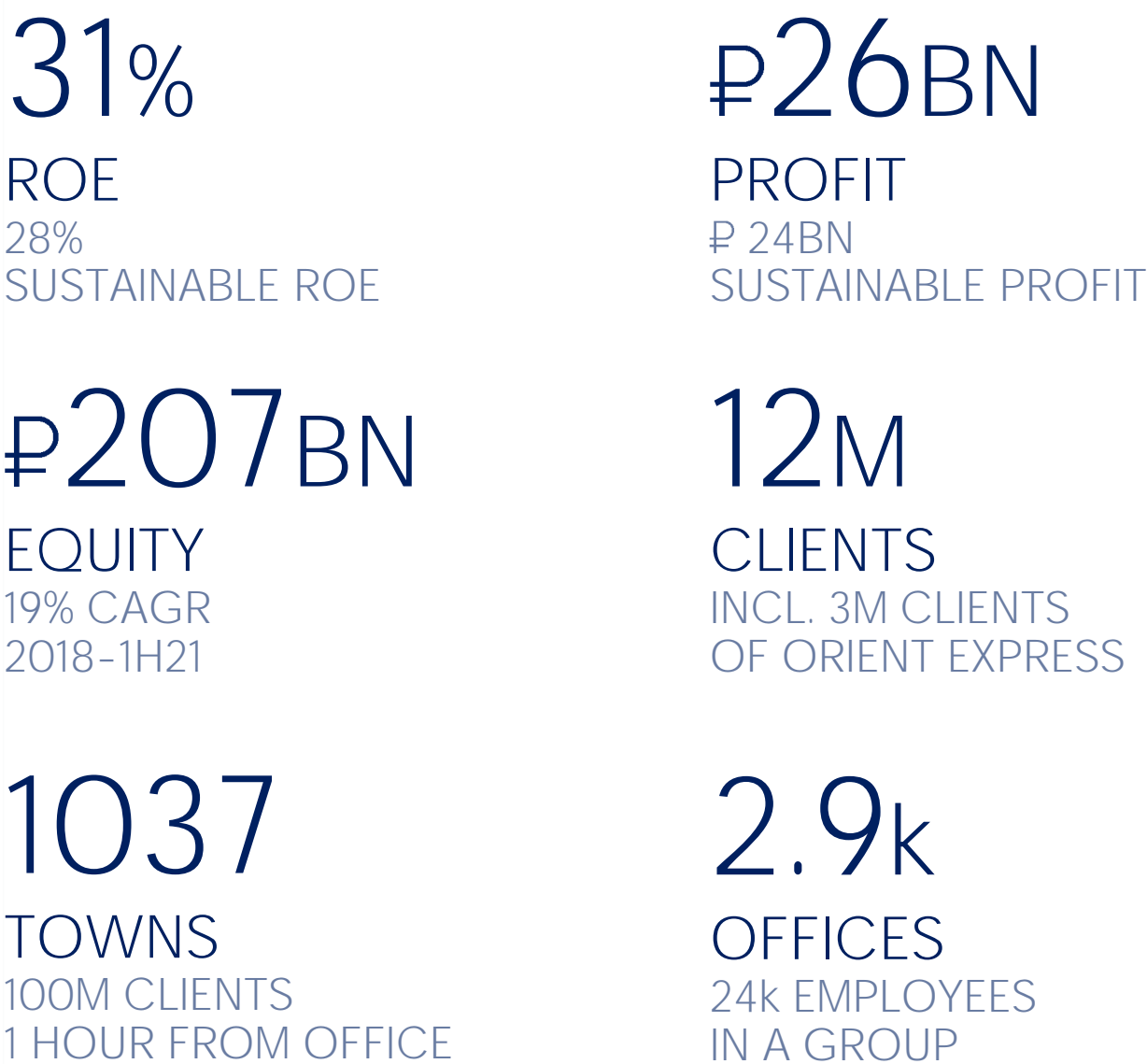
## DIVERSIFIED ASSETS



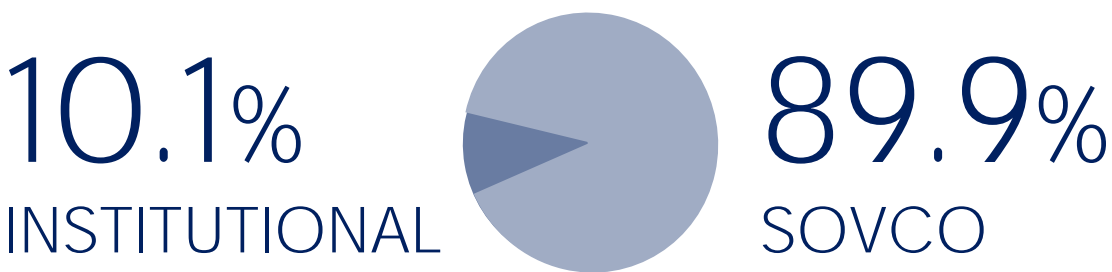
## SUSTAINABLE PROFIT



## KEY NUMBERS



## SHAREHOLDERS



Source: IFRS financial statements (as at 30 June 2021), company disclosure  
1. Long-term credit ratings, as at 1 September 2021  
2. Including 3.4% treasury shares

# SOVCOMBANK GROUP

AS AT 30.06.2021 / FOR 1H21



Source: management accounts as at 30 June 2021, company disclosure  
1. 44-FZ and 223-FZ  
2. As part of the Sovcombank Group (May-June 2021) - ₱0.3 trillion  
3. Portfolio as of 01.08.2021 after the purchase of NFC in July 2021

# HIGHLIGHTS 1H21

₽BN

## BALANCE SHEET

	30.06.2021	△	31.12.2020
Assets	1 854	+25%	1 483
Stage 3 & POCI	2.3%	-0.5 p.p.	2.8%
Customer accounts	1 253	+25%	999
Equity	207	+10%	188

## P&L

	1H21	△	1H20
Sustainable profit	24	+87%	13
Operating income <sup>1</sup>	66	+38%	48
Cost of risk	2.9%	-0.5 p.p.	3.4%
CIR <sup>2</sup>	45%	+2.0 p.p.	43%

## KEY DRIVERS

### ASSETS

- Substantial growth, both organic (mainly corporate) & inorganic (mainly retail)
- Quality and transparency of assets remains one of the best on the market

### LIABILITIES

- Organic growth of corporate term deposits and current accounts (+27% vs. 31.12.20)
- Mainly inorganic growth in retail funding (+29% vs. 31.12.20)

### PROFIT

- Sustainable profit of ₽ 24BN in 1H21 (+87% vs. 1H20) with ROE of 28%
- Reducing overprovisioning (COR 2.9% vs. 3.4% in 1H20)
- OPEX incl. a number of one-offs related to Orient Express acquisition

### CREDIT RATINGS

- S&P upgraded the outlook to "Positive" (Jan 21), credit rating "BB"
- Expert RA upgraded credit rating to "AA" (national scale) in Feb 21
- ACRA upgraded credit rating to "AA-" (national scale) in Apr 21
- Fitch affirmed credit rating at "BB+" in Sep 21

### M&A

- Metlife Russia: acquisition in January 21 (renamed to Sovcombank Life)
- Orient Express: acquisition in April 2021
- B2B Center procurement platform: acquisition in May 2021
- National Factoring Company: acquisition in July 2021

Source: IFRS financial statements (1H20 – 1H21), company disclosure

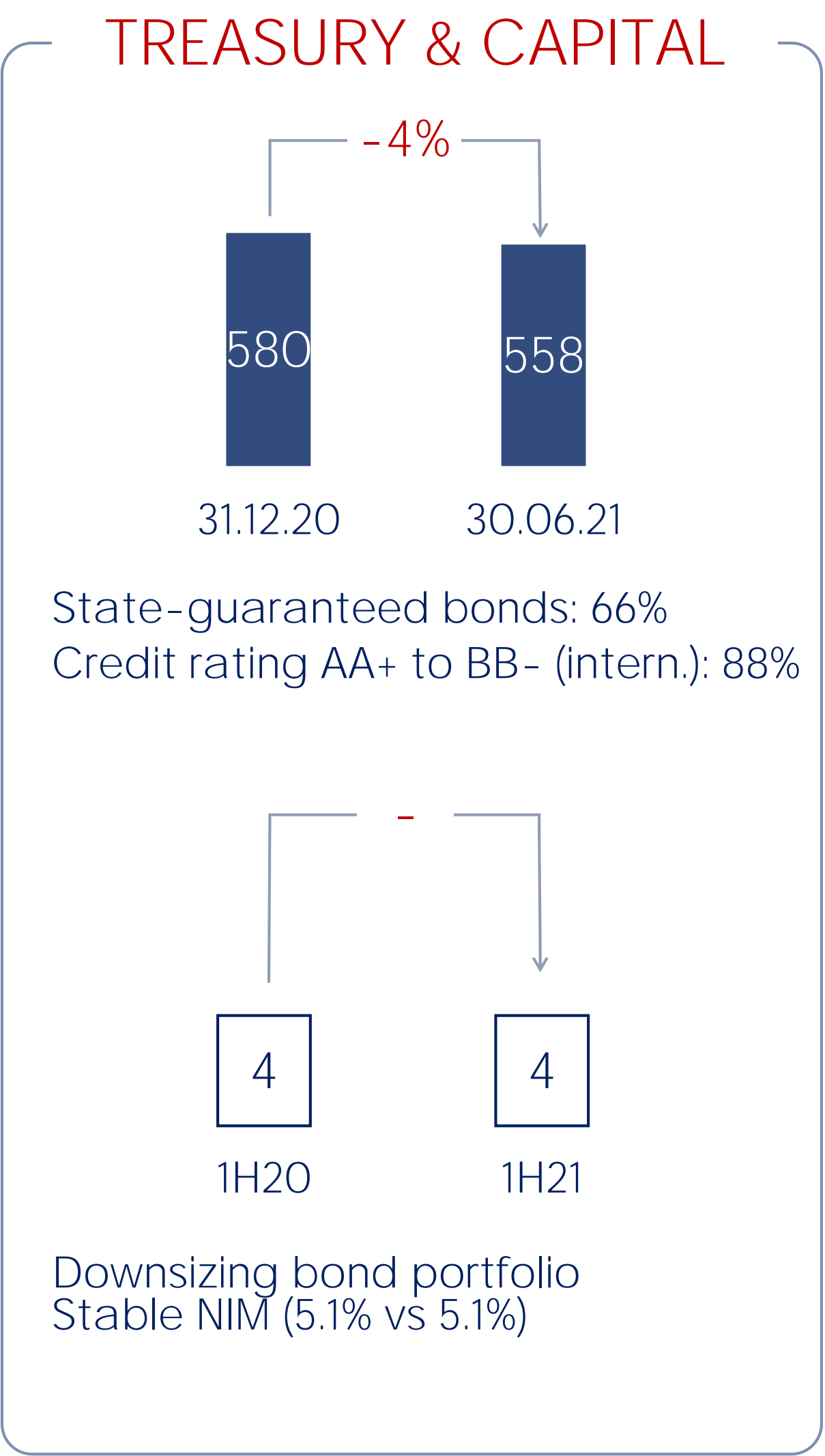
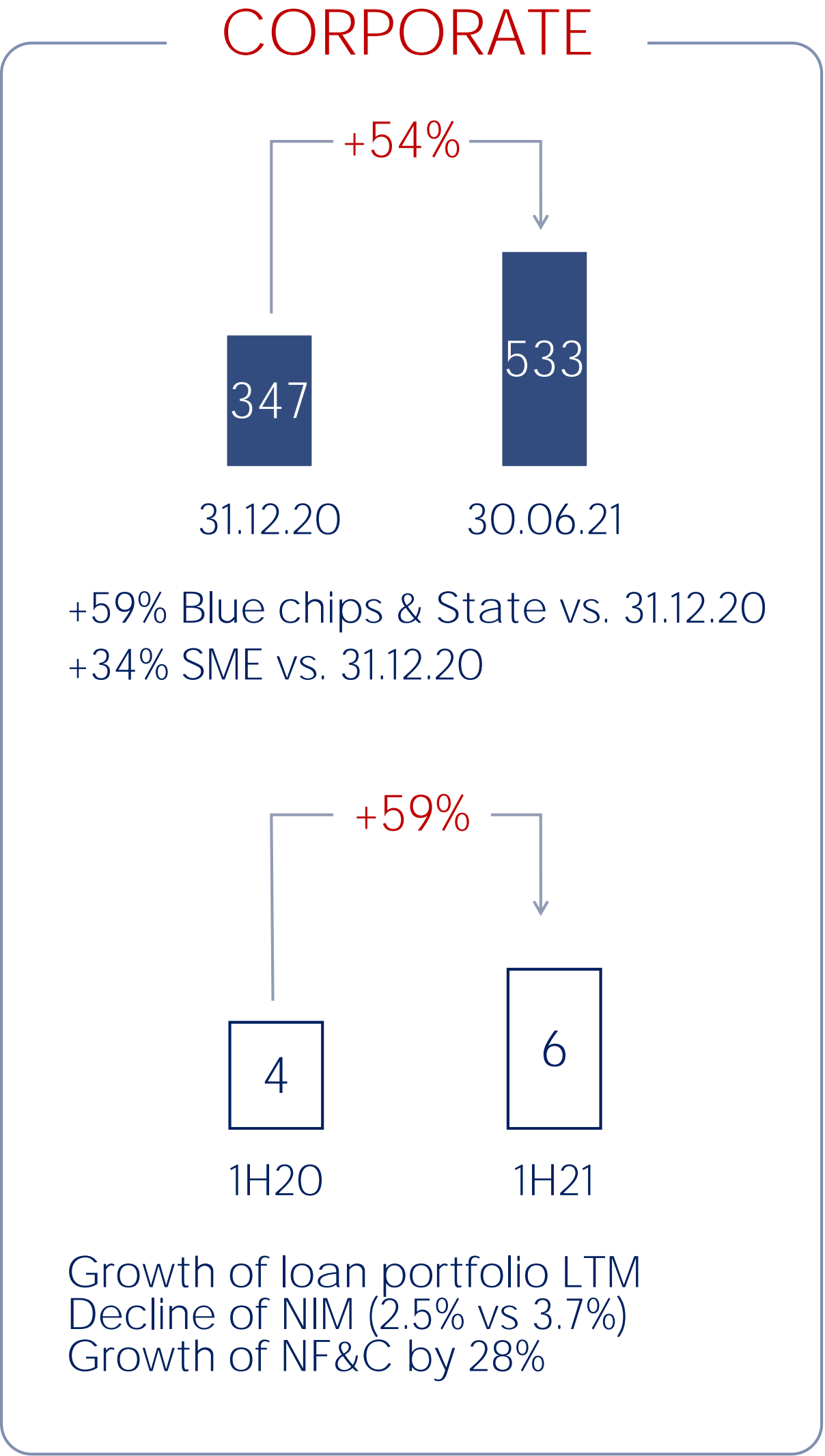
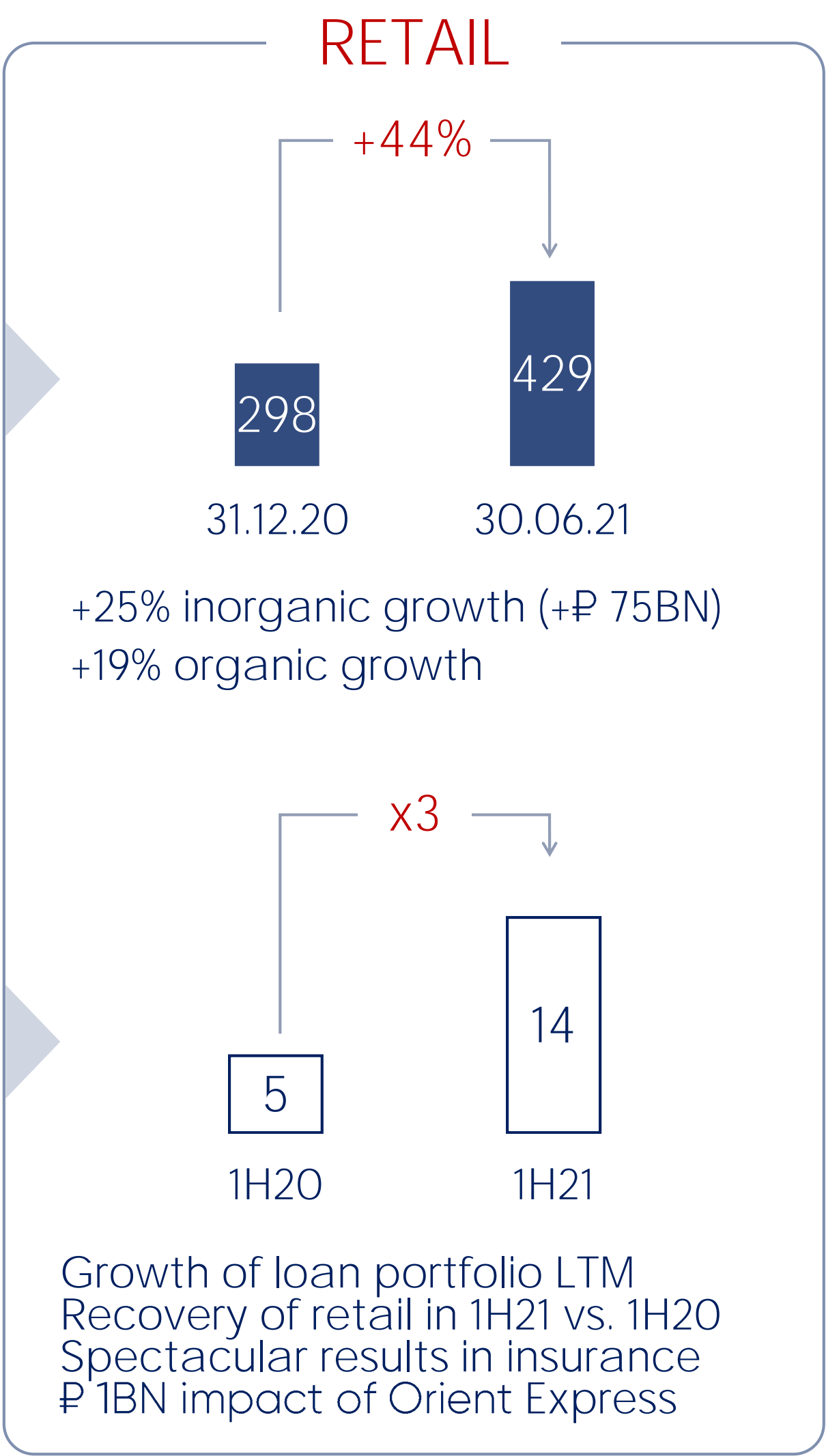
1. NII + NFCI
2. OPEX / (NII + NFCI)

# DRIVERS BY SEGMENTS

₪BN

Net assets

Sustainable profit



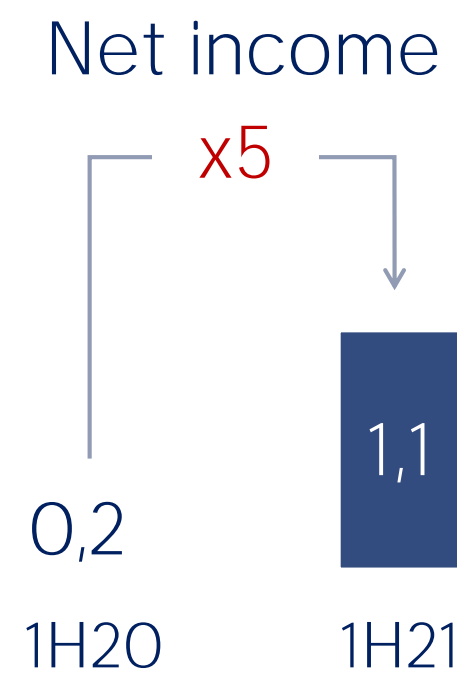
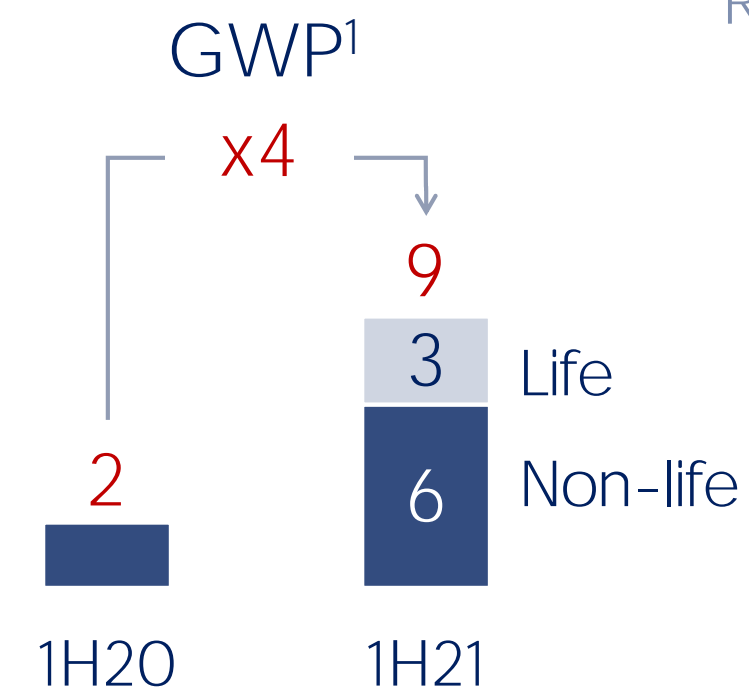


# NON-BANKING BUSINESS

₽BN

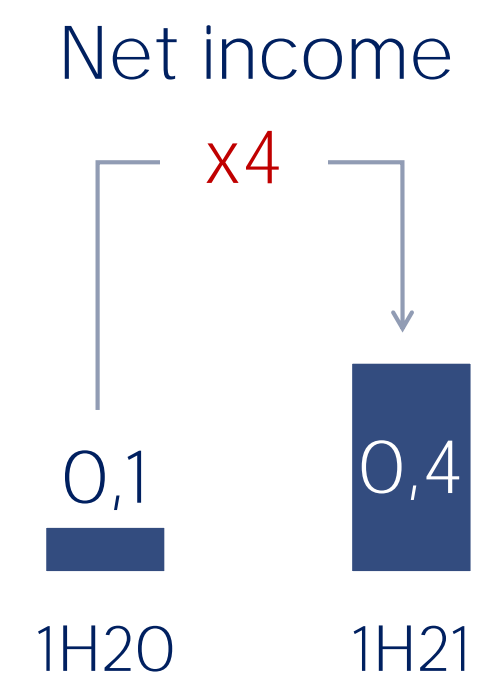
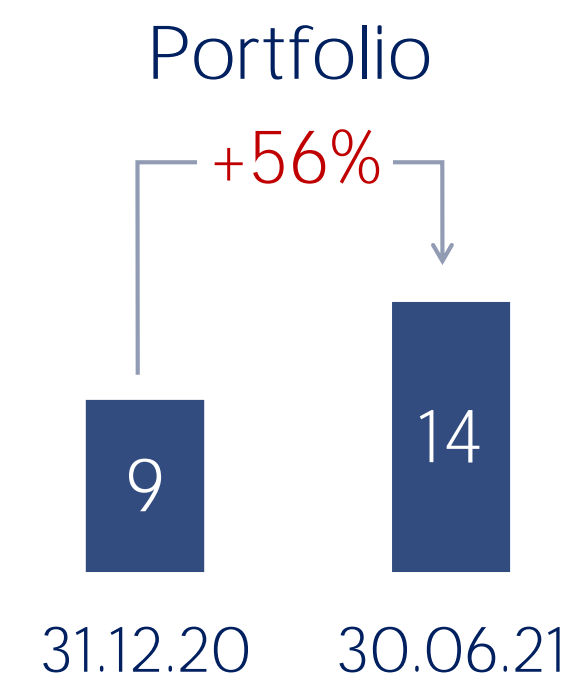
## INSURANCE

Retail



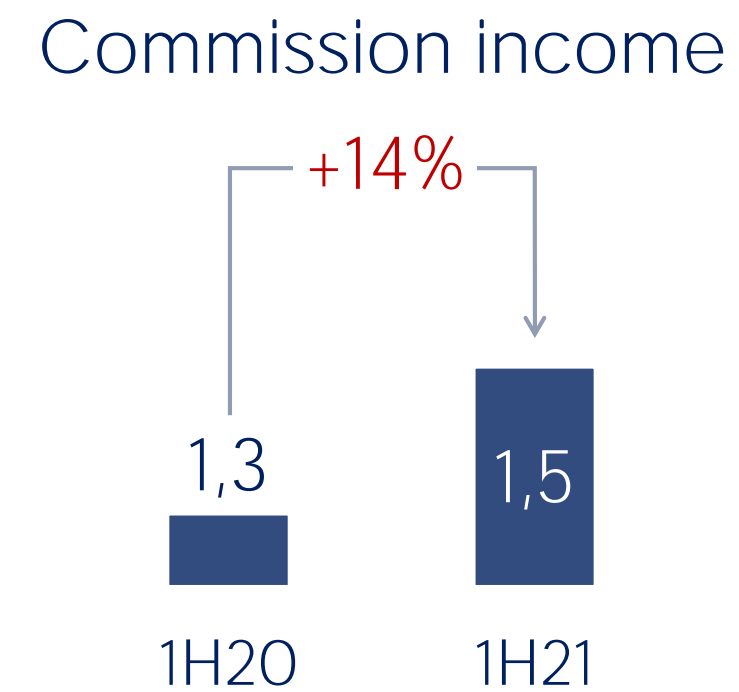
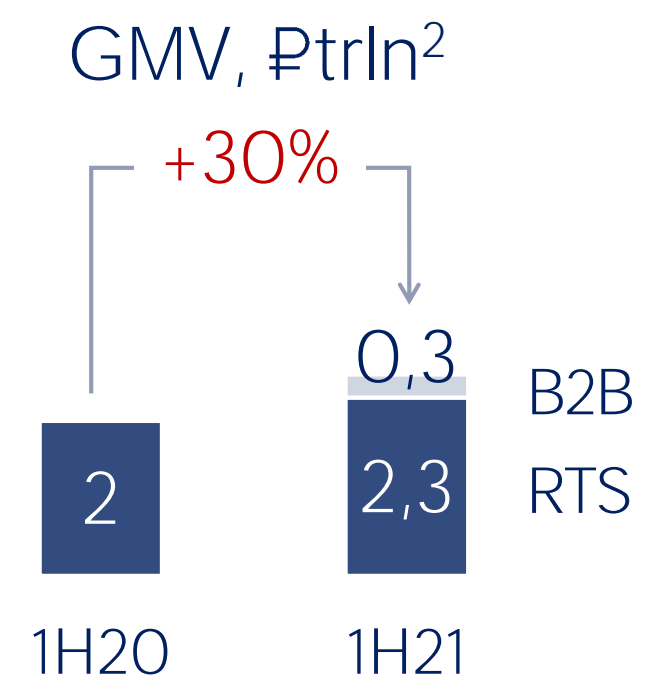
## LEASING

Corporate



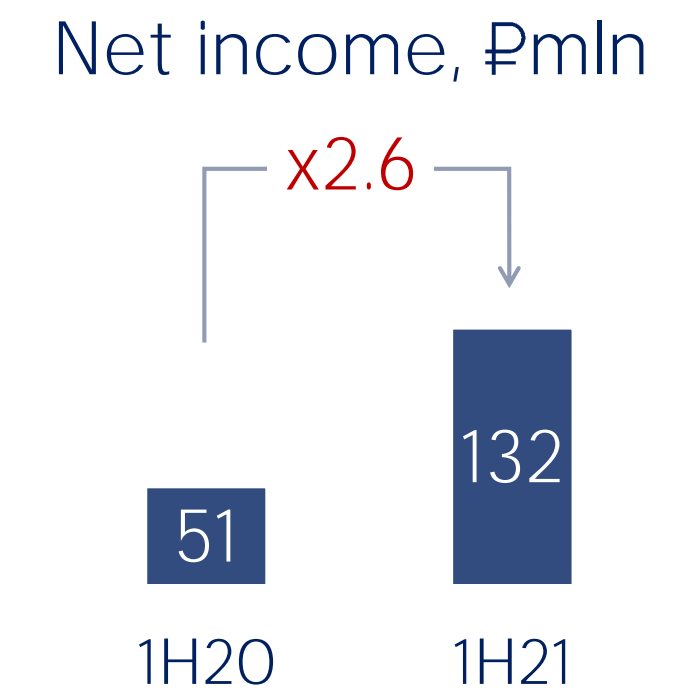
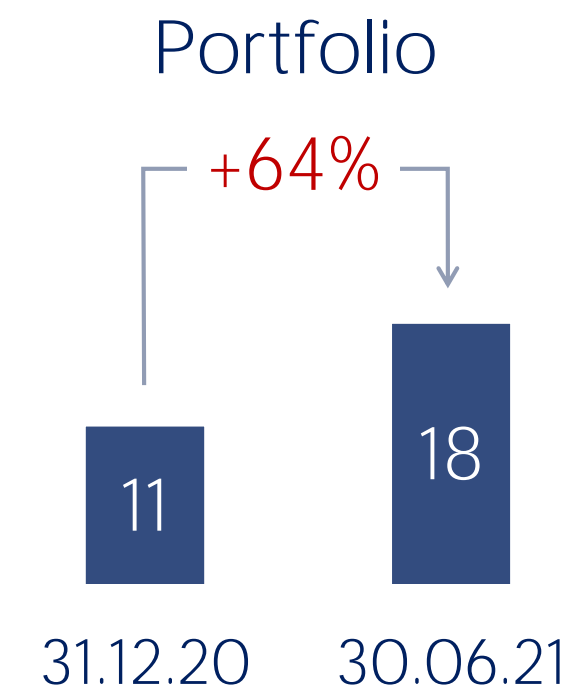
## PROCUREMENT

Corporate



## FACTORING<sup>3</sup>

Corporate



Source: IFRS financial statements (1H20 – 1H21), company disclosure

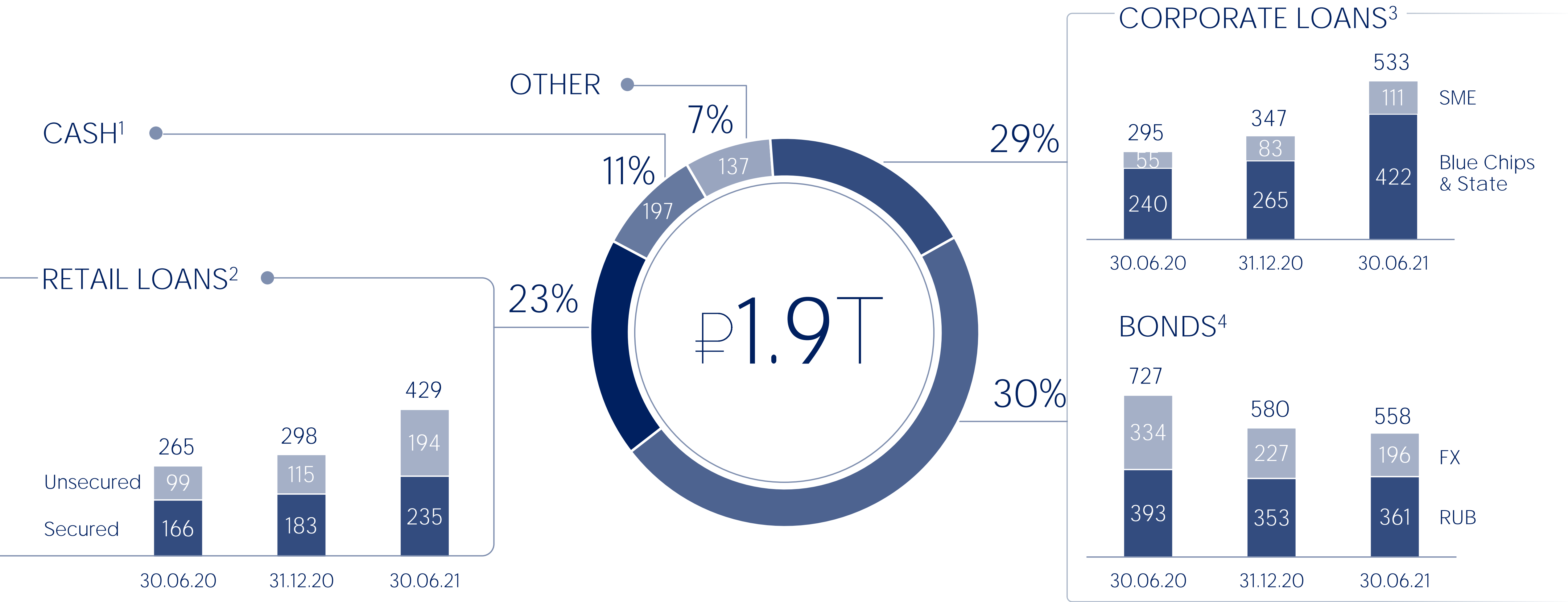
1. Gross Written Premium

2. Volume of contracts signed

3. Does not incl. National Factoring Company – acquired in July 21

# ASSETS

₽BN



Source: IFRS financial statements (1H20 – 1H21)  
Values are subject to rounding: rounded components may not add up to the rounded sum

- 1. Cash and cash equivalents, Mandatory cash balances with the CBR
- 2. Loans to individuals less allowance for loan impairment
- 3. Corporate loans less allowance for loan impairment

4. Financial instruments at FVPL excluding derivative financial instruments, corporate shares and shares of companies with state participation; Financial instruments at FVOCI; Corporate bonds, bonds of companies with state participation, Russian subfederal and municipal bonds, and Russian federal Eurobonds measured at amortized cost less allowance for impairment and bonds of Russian banks measured at amortized cost less allowance for impairment

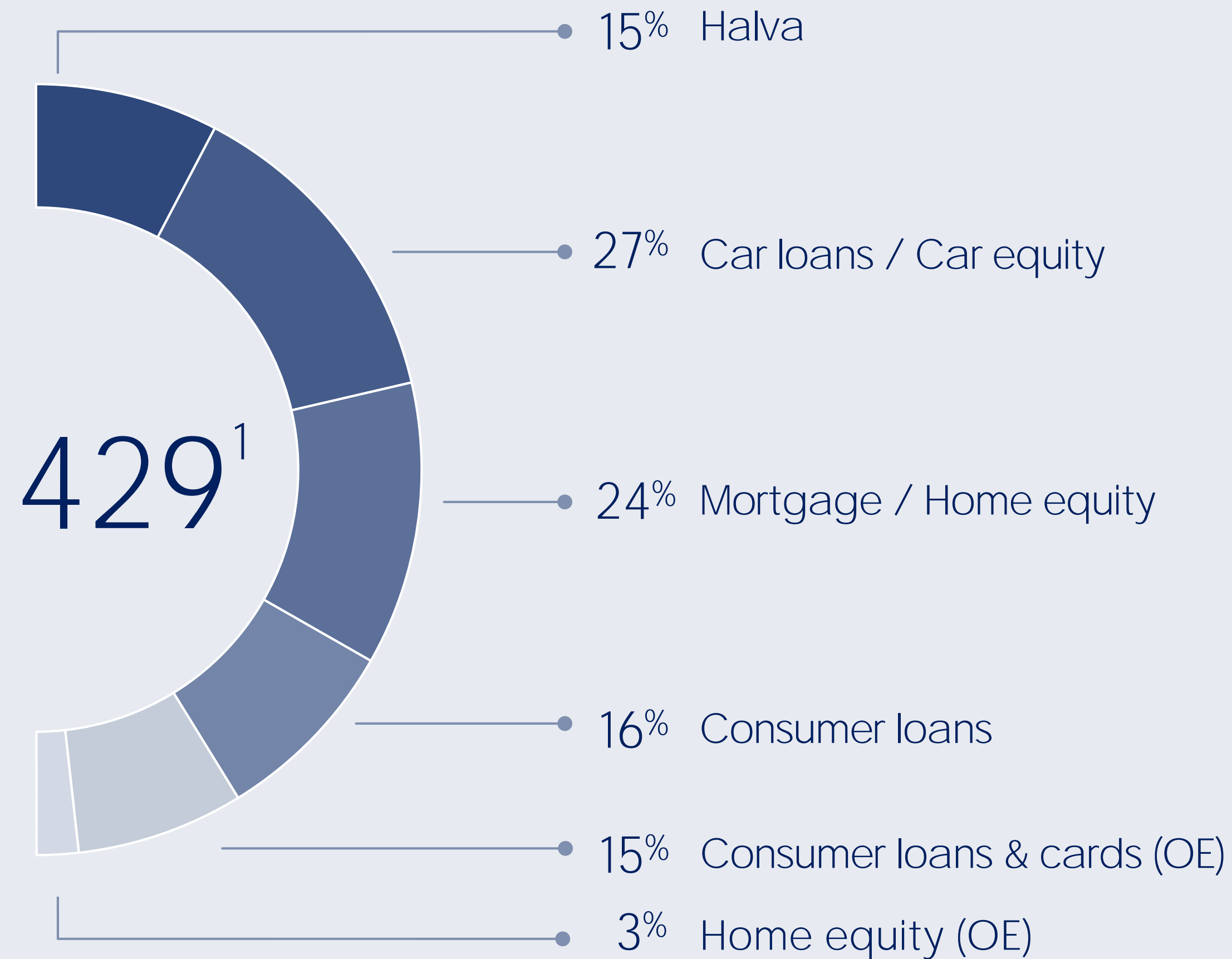
RETAIL



# RETAIL LOAN PORTFOLIO

₺BN

Segment sustainable profit: ₺ 14BN for 1H21



Source: IFRS financial statements (as at 30 June 2021), company disclosure

1. Loans to individuals less allowance for loan impairment

4.0%

Stage 3 loans  
Orient Express: 4.6%

139%

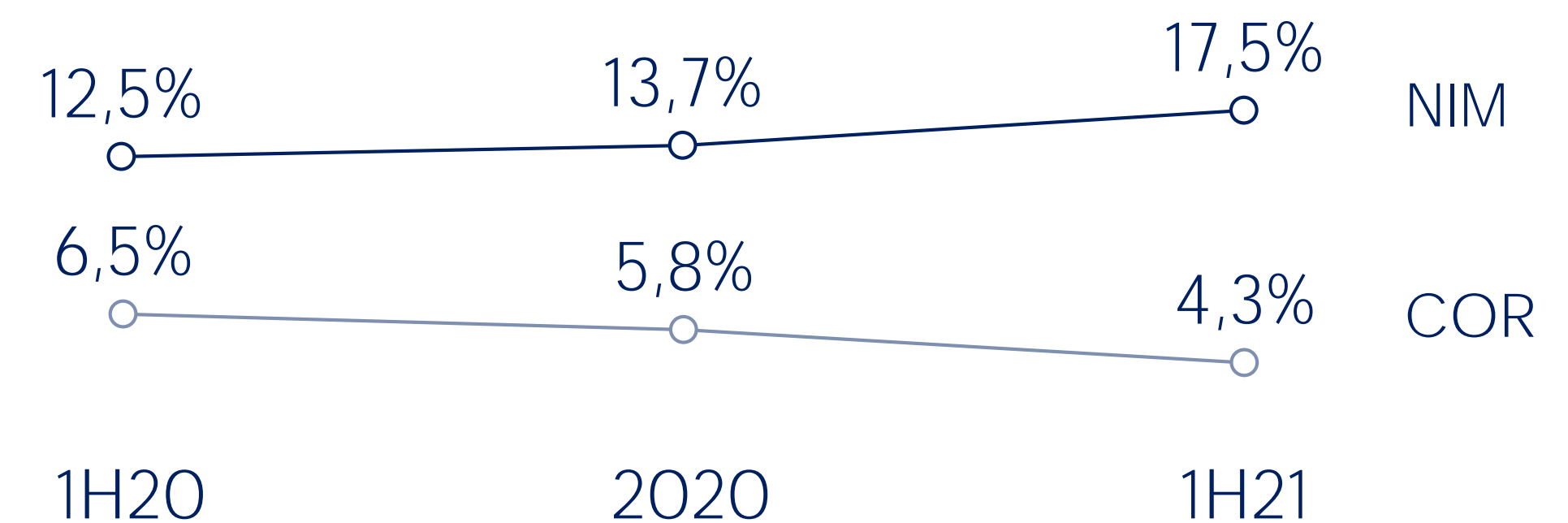
Stage 3 coverage  
Orient Express: 164%

55%

Secured lending  
down from 61% as at 31.12.20  
due to Orient Express acquisition

12M

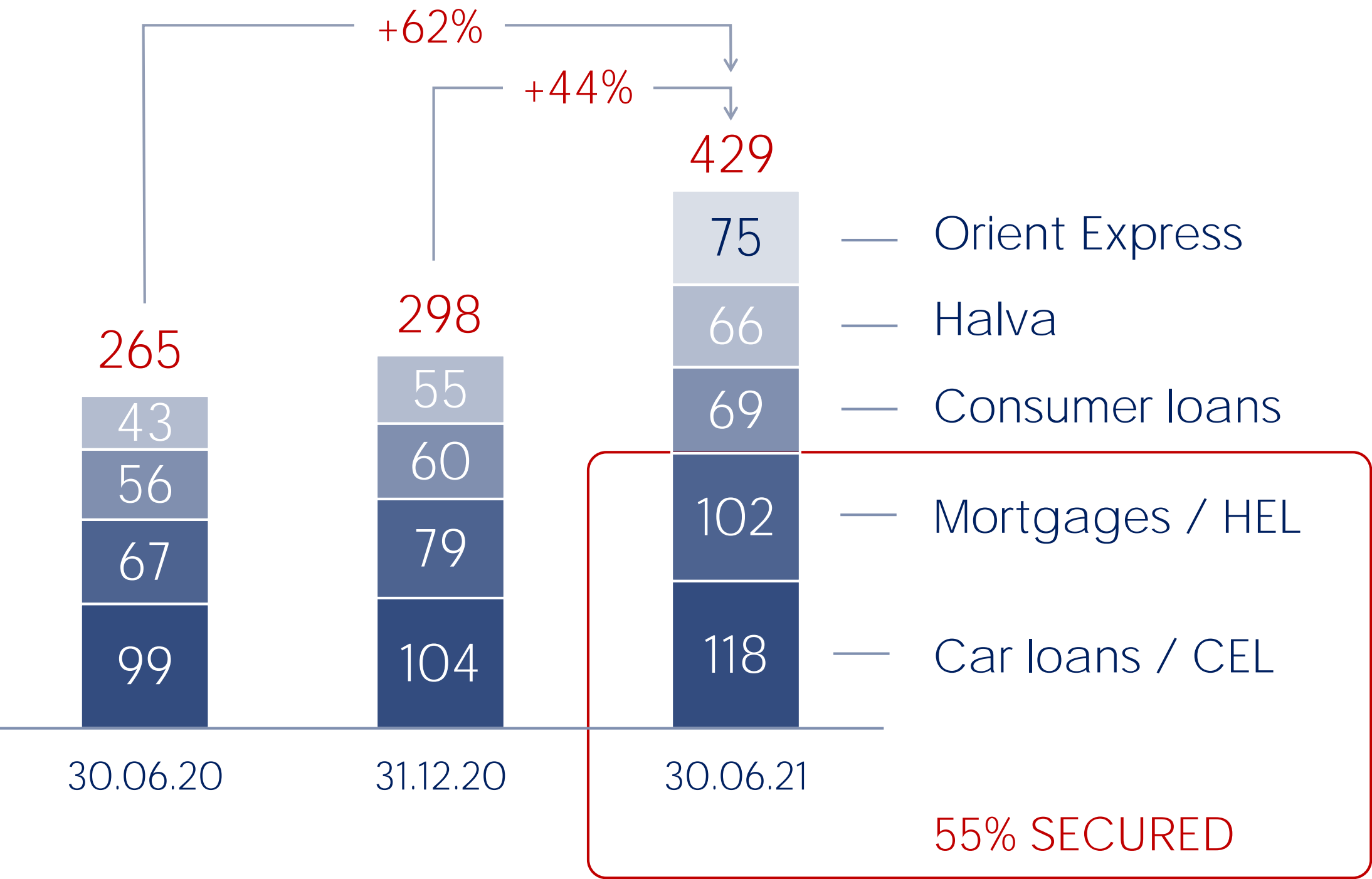
Retail clients  
Incl. Orient Express: +3mln



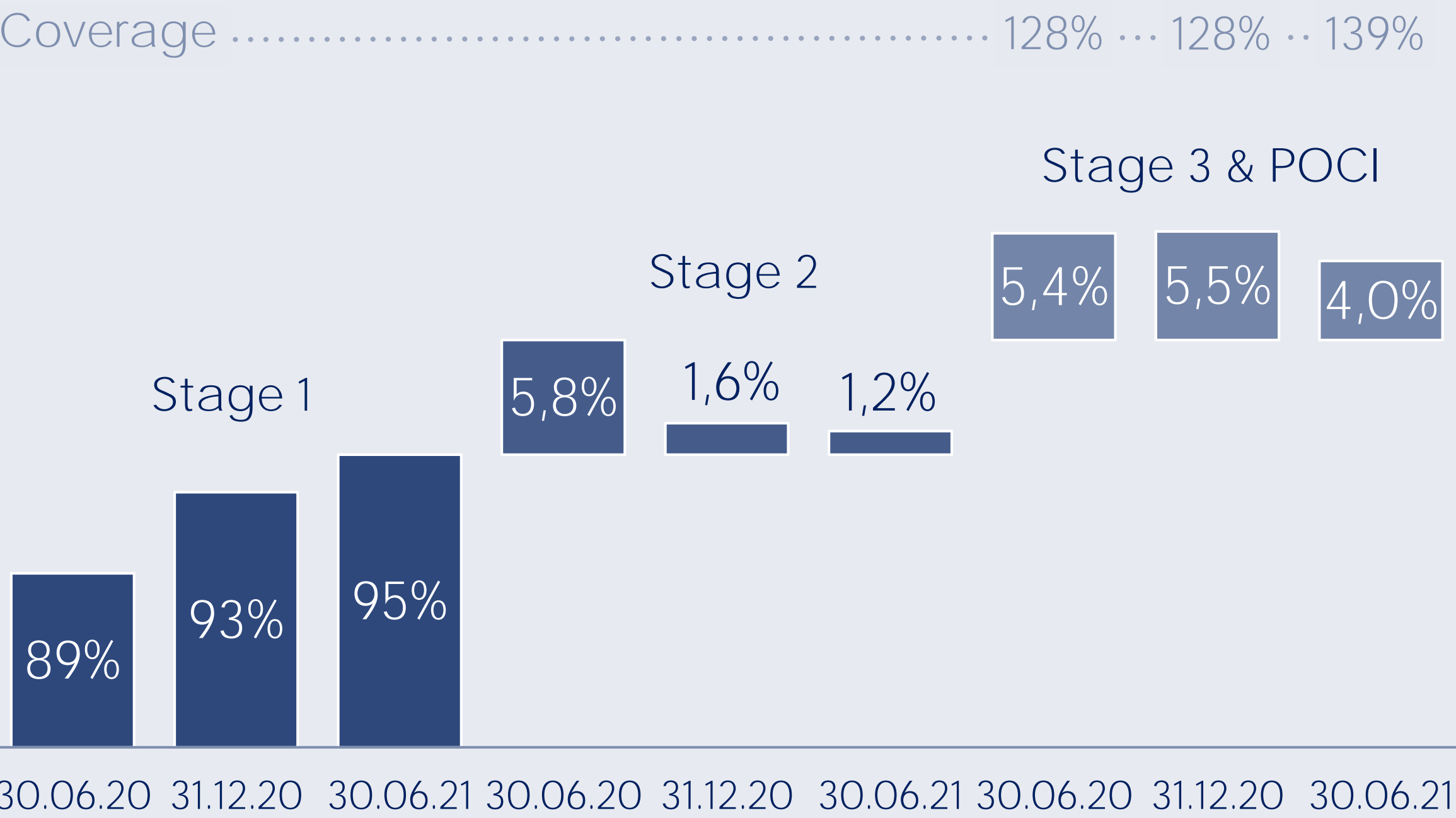
# RETAIL LOAN PORTFOLIO

₺BN

NET PORTFOLIO<sup>1</sup>



COMPOSITION OF GROSS PORTFOLIO



Source: IFRS financial statements (1H20 – 1H21)  
1. Loans to individuals less allowance for loan impairment

# NATIONAL INSTALMENT PLATFORM HALVA



#1

LEADING BNPL+<sup>2</sup>  
PLATFORM IN RUSSIA



PROFITABLE  
BUSINESS



HUGE POTENTIAL  
TO GROW

BNPL+

INSTALMENT CARD  
& DEBIT CARD



STRONG  
NETWORK EFFECT



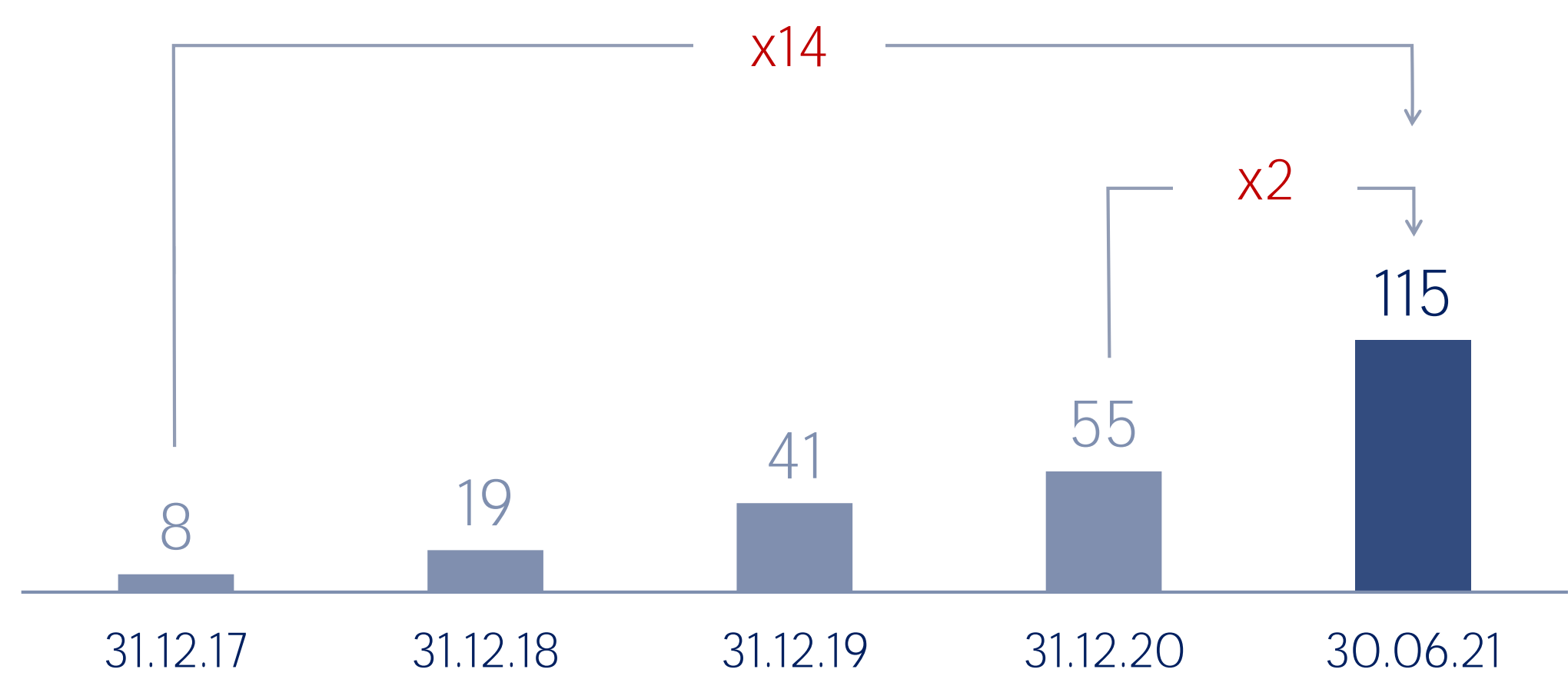
INTERNATIONAL  
PEERS

Source: IFRS financial statements (as at 30 June 2021), company disclosure  
1. % of economically active population as at June 2021. According to Rosstat  
2. Buy Now Pay Later. BNPL+ includes instalment purchases, as well as utility and tax payments, loyalty cards and gift cards, subscriptions and debit card features

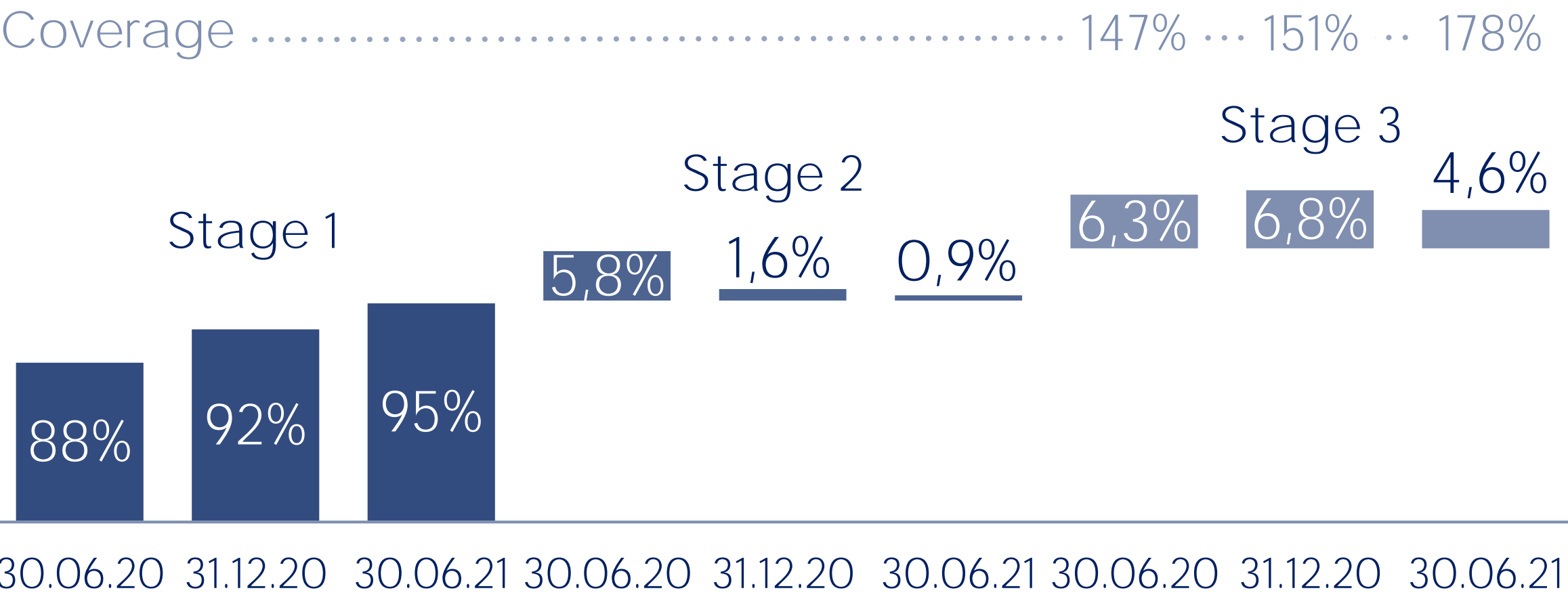
# HALVA CONSUMER ADOPTION

₺BN

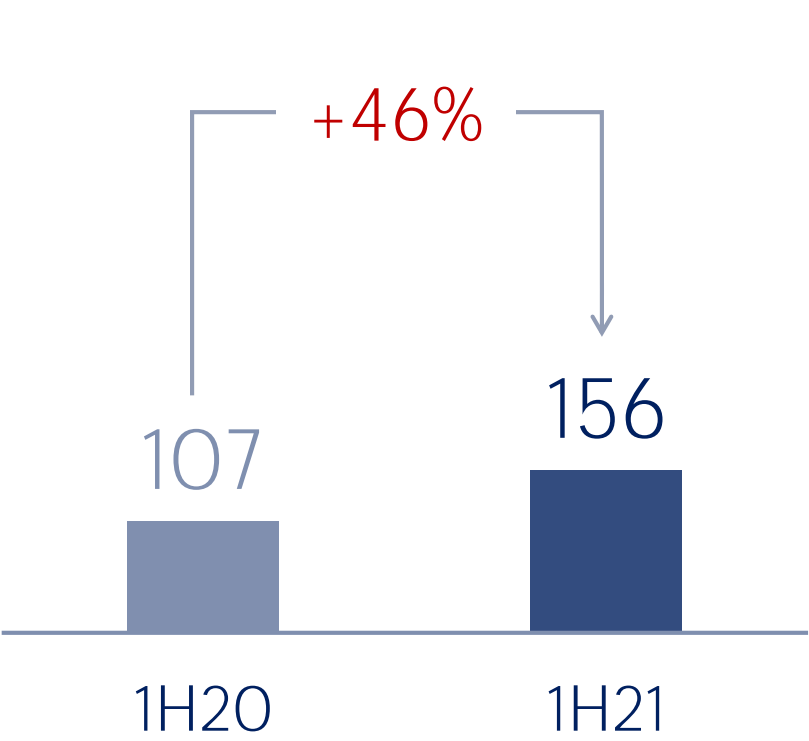
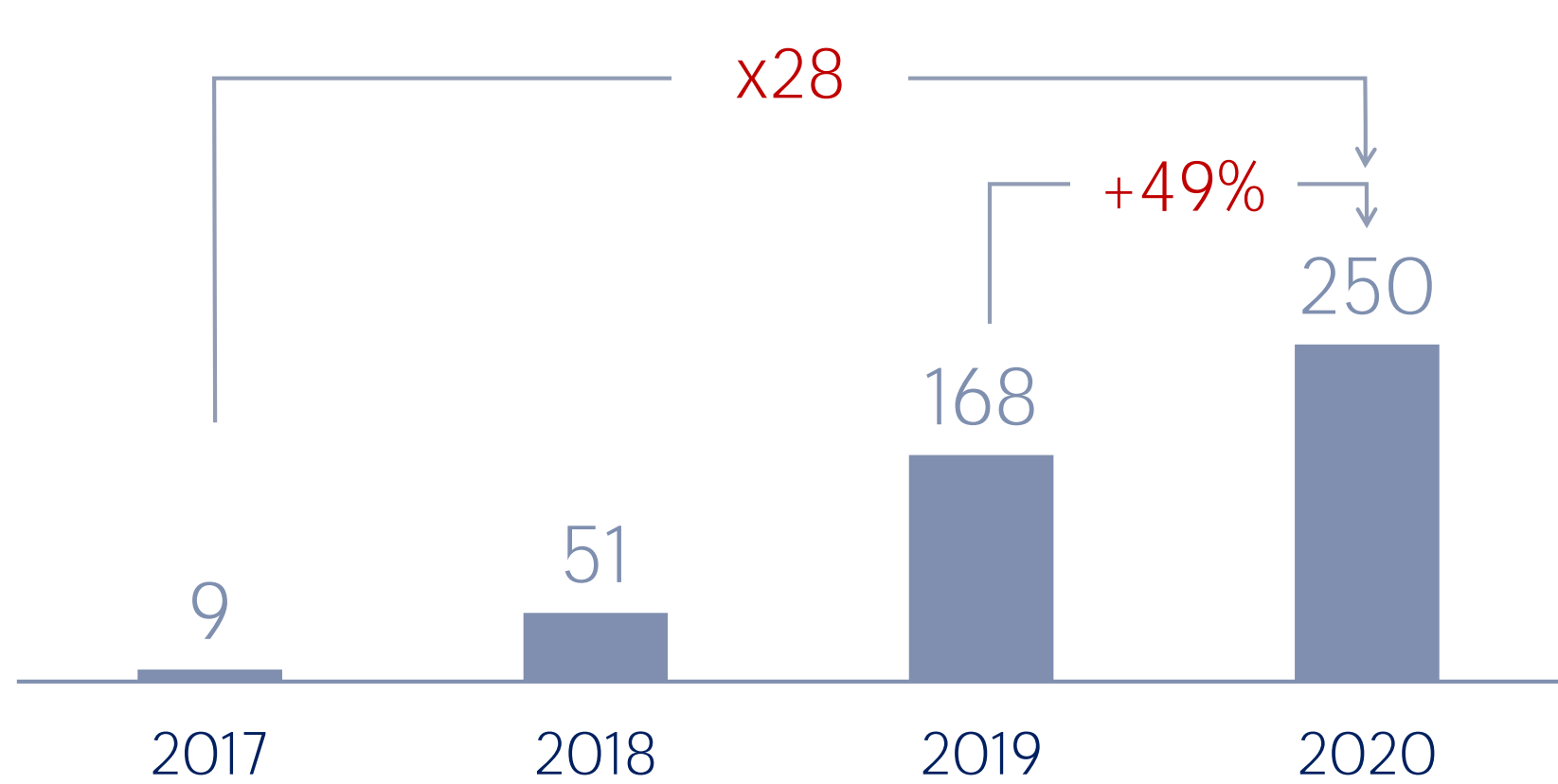
HALVA PORTFOLIO<sup>1</sup>



COMPOSITION OF GROSS PORTFOLIO



HALVA GMV<sup>2</sup>



**1M** Clients paid for Halva subscription in Aug 21

Source IFRS financial statements (2017 – 1H21), company disclosure  
1. Instalment card loans less allowance for loan impairment. Incl. credit cards of Orient Express  
2. Gross Merchandise Value – Total Halva transaction volume for the period



# AUTO BANK

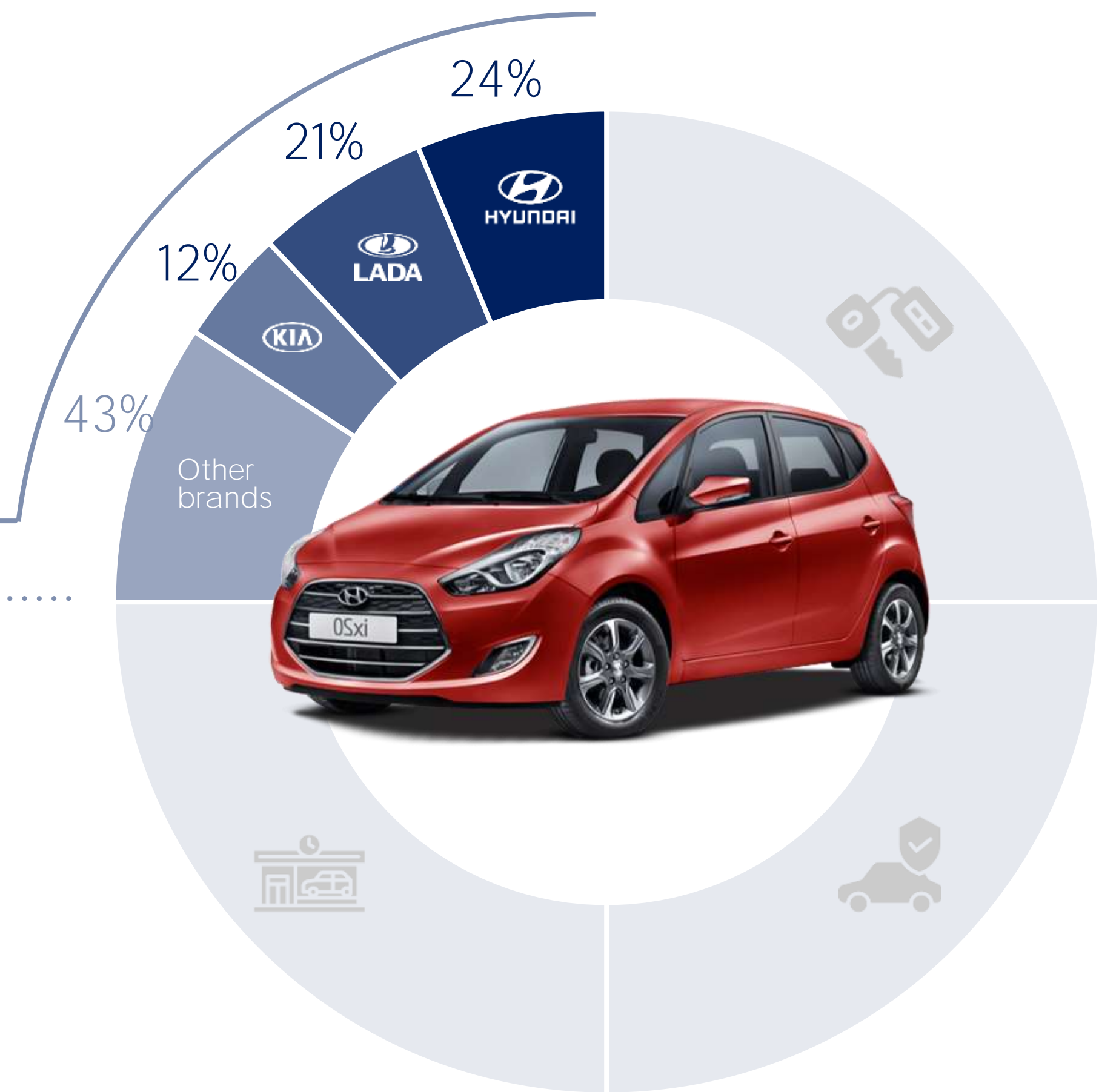
## LENDING

New & used cars  
Car equity loans (CEL)

₽118BN<sup>1</sup> *% of net car loan portfolio*

## SERVICES FOR DEALERS

Floor plans & factoring  
Inventory & property insurance



## LEASING



For individuals  
Fleet leasing for companies  
and municipalities

## MOTOR INSURANCE

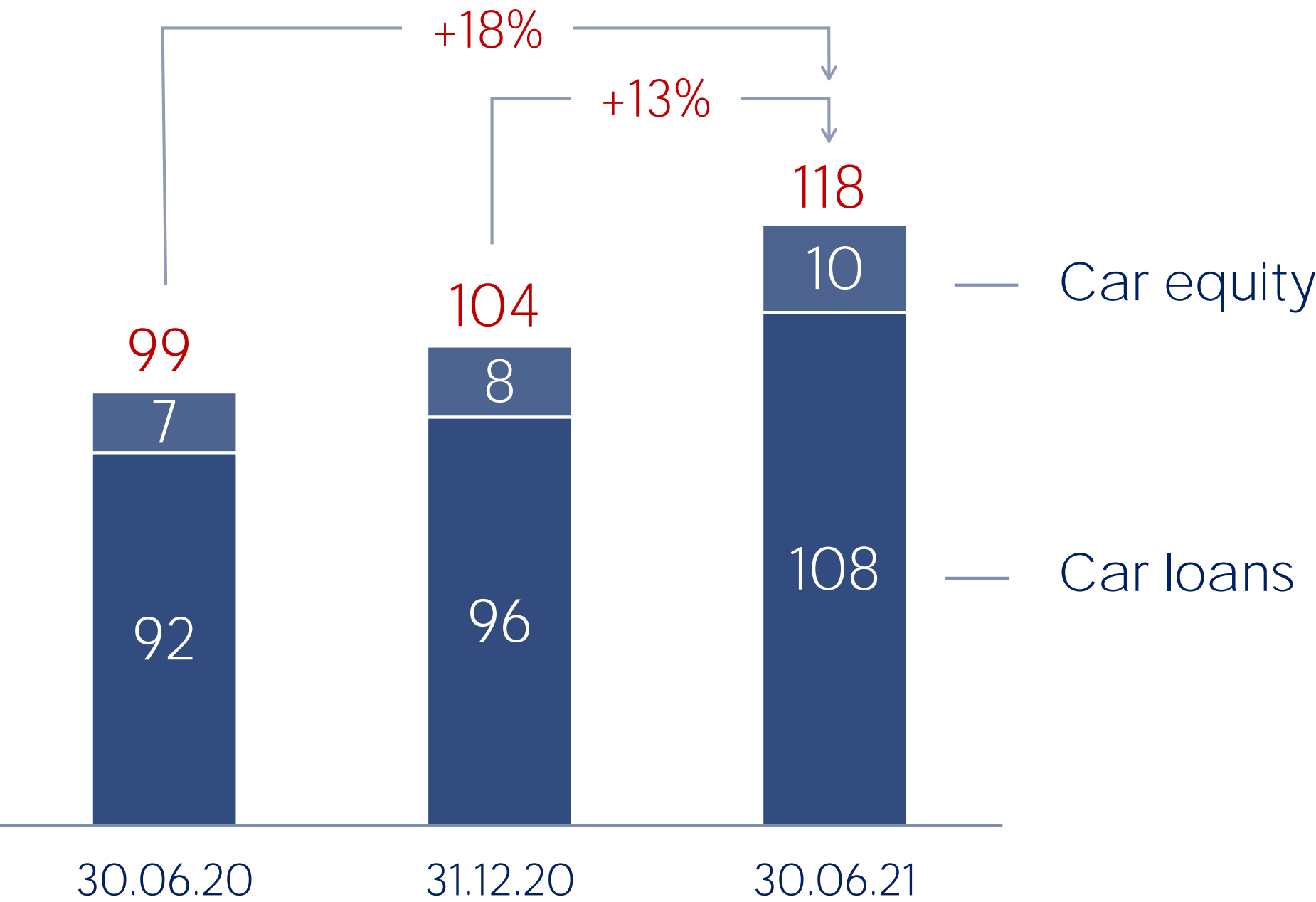


MOD & MTLP  
Special offers via product bundles

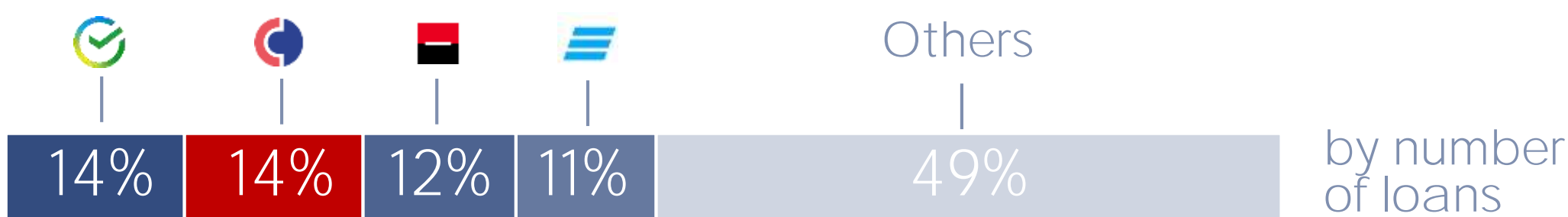
# CAR LOANS AND CAR EQUITY LOANS

₽BN

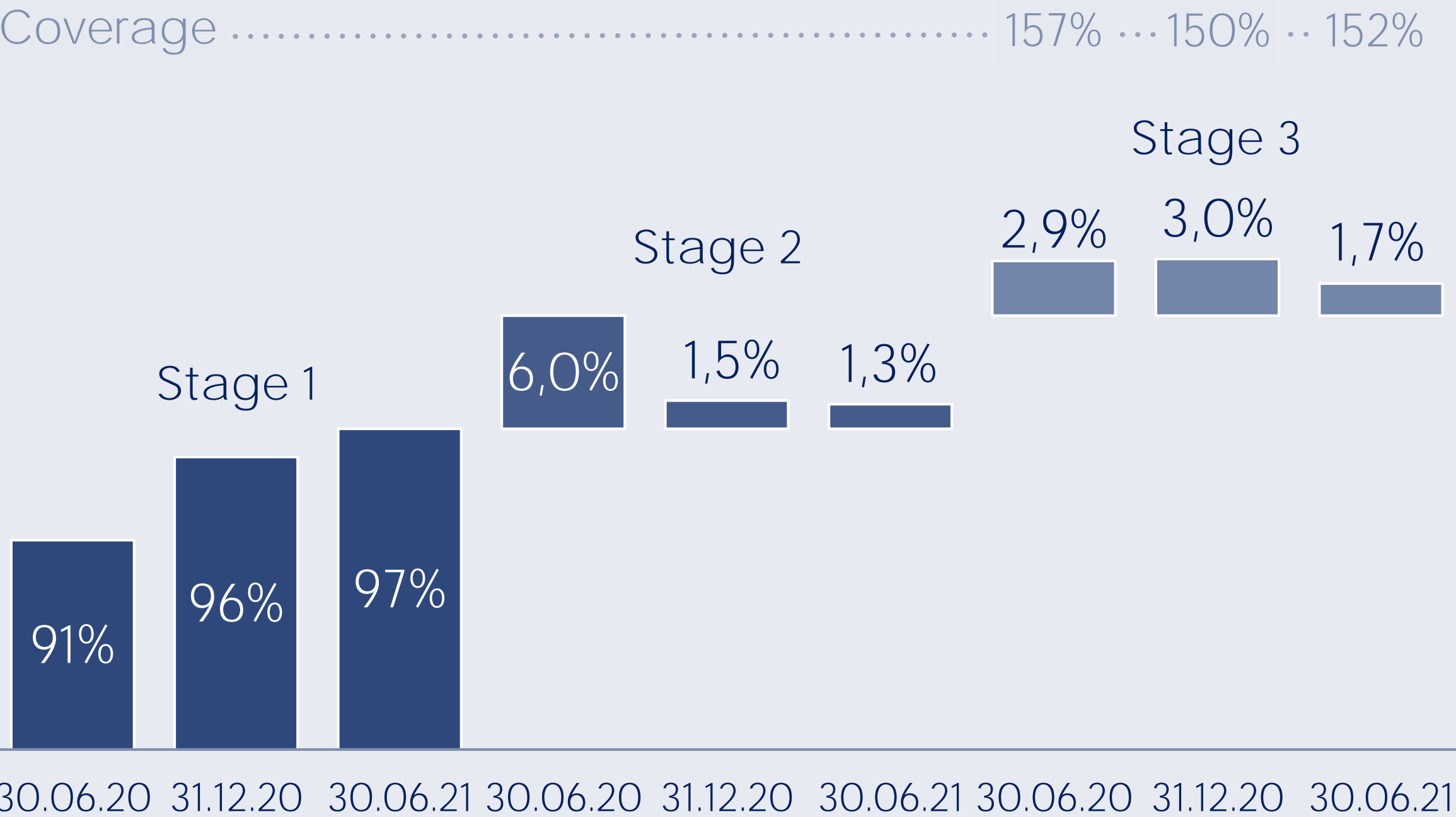
NET PORTFOLIO<sup>1</sup>



MARKET SHARE<sup>2</sup>



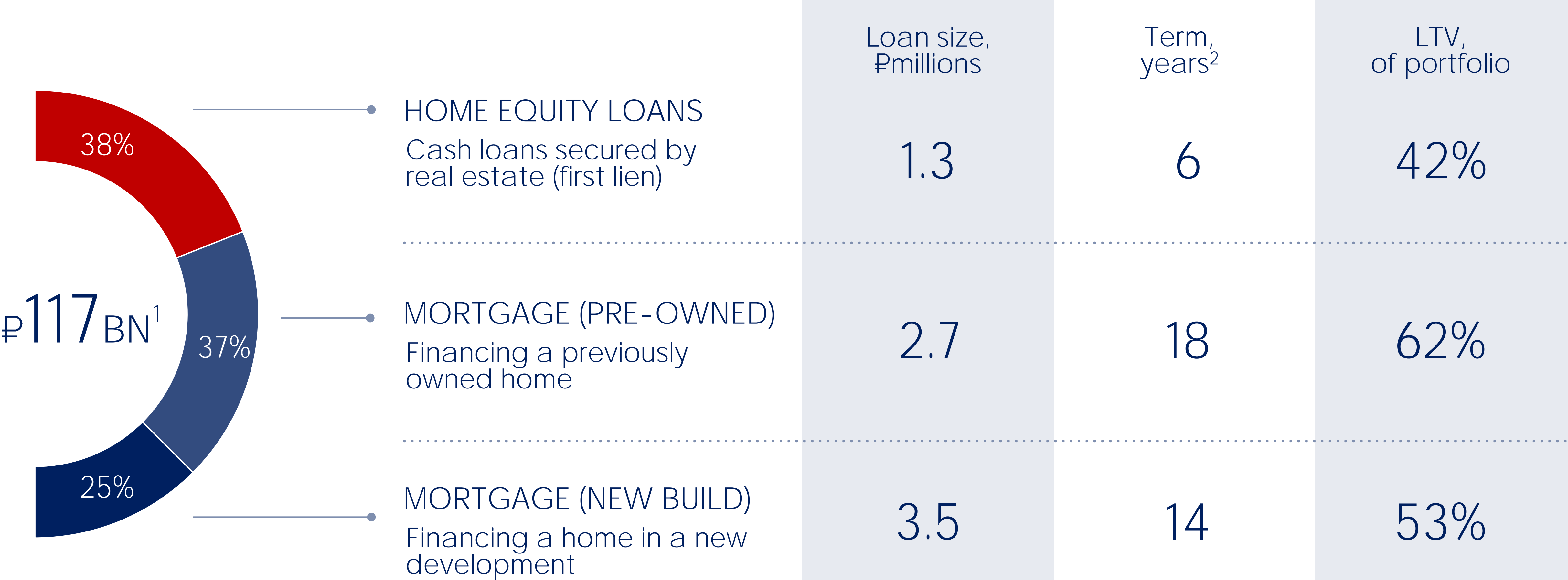
COMPOSITION OF GROSS PORTFOLIO



Source: IFRS financial statements (1H20 – 1H21)  
1. Car loans less allowance for loan impairment  
2. By number of issued car loans. According to Autostat.ru statistics as at 30 June 2021



# MORTGAGE AND HOME EQUITY LOANS

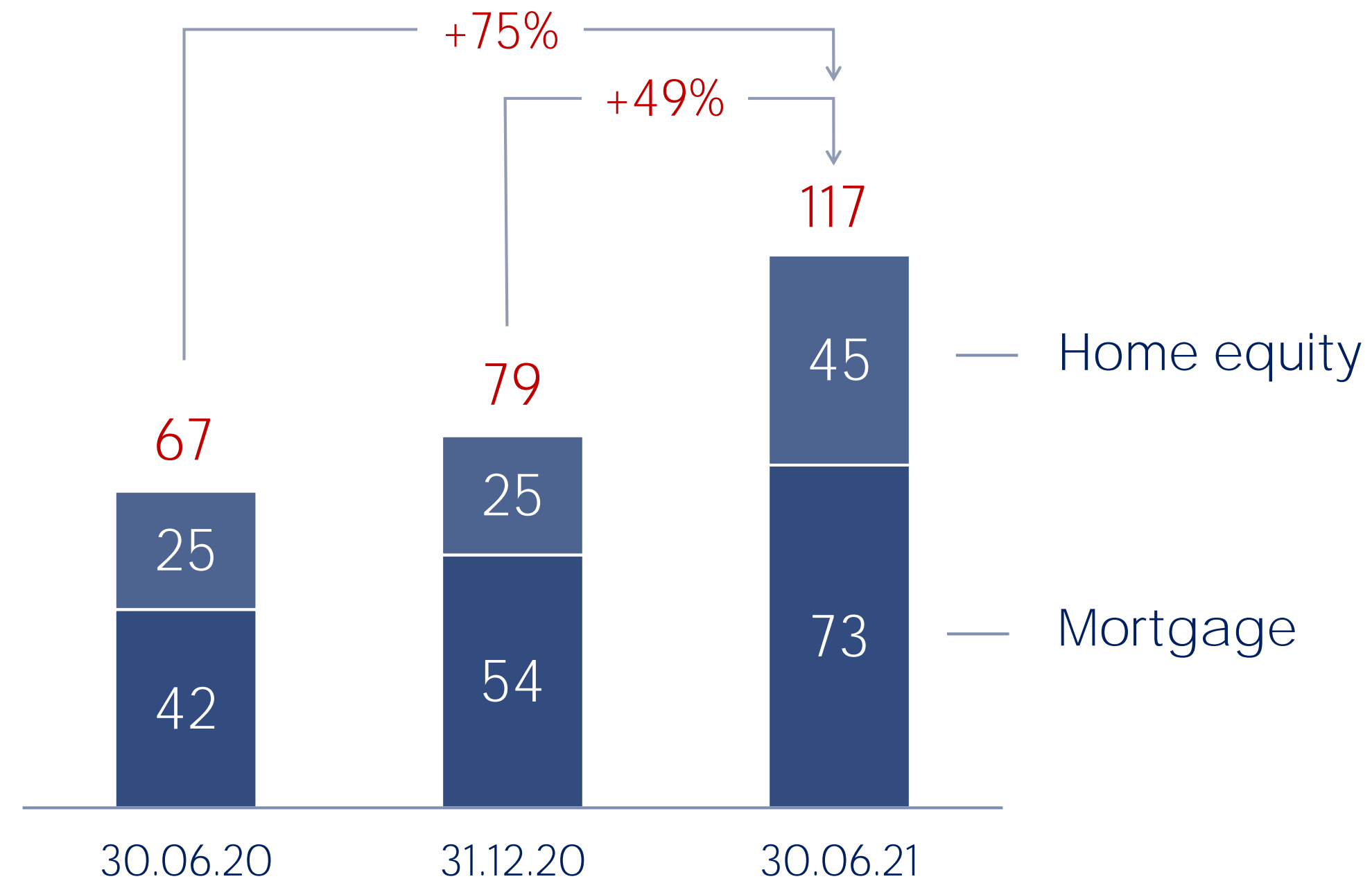


Source: IFRS financial statements (as at 30 June 2021), company disclosure  
1. Mortgage loans less allowance for loan impairment. Incl. home equity loans of Orient Express  
2. Contractual term at issuance

# MORTGAGE AND HOME EQUITY LOANS

₽BN

## NET PORTFOLIO<sup>1</sup>



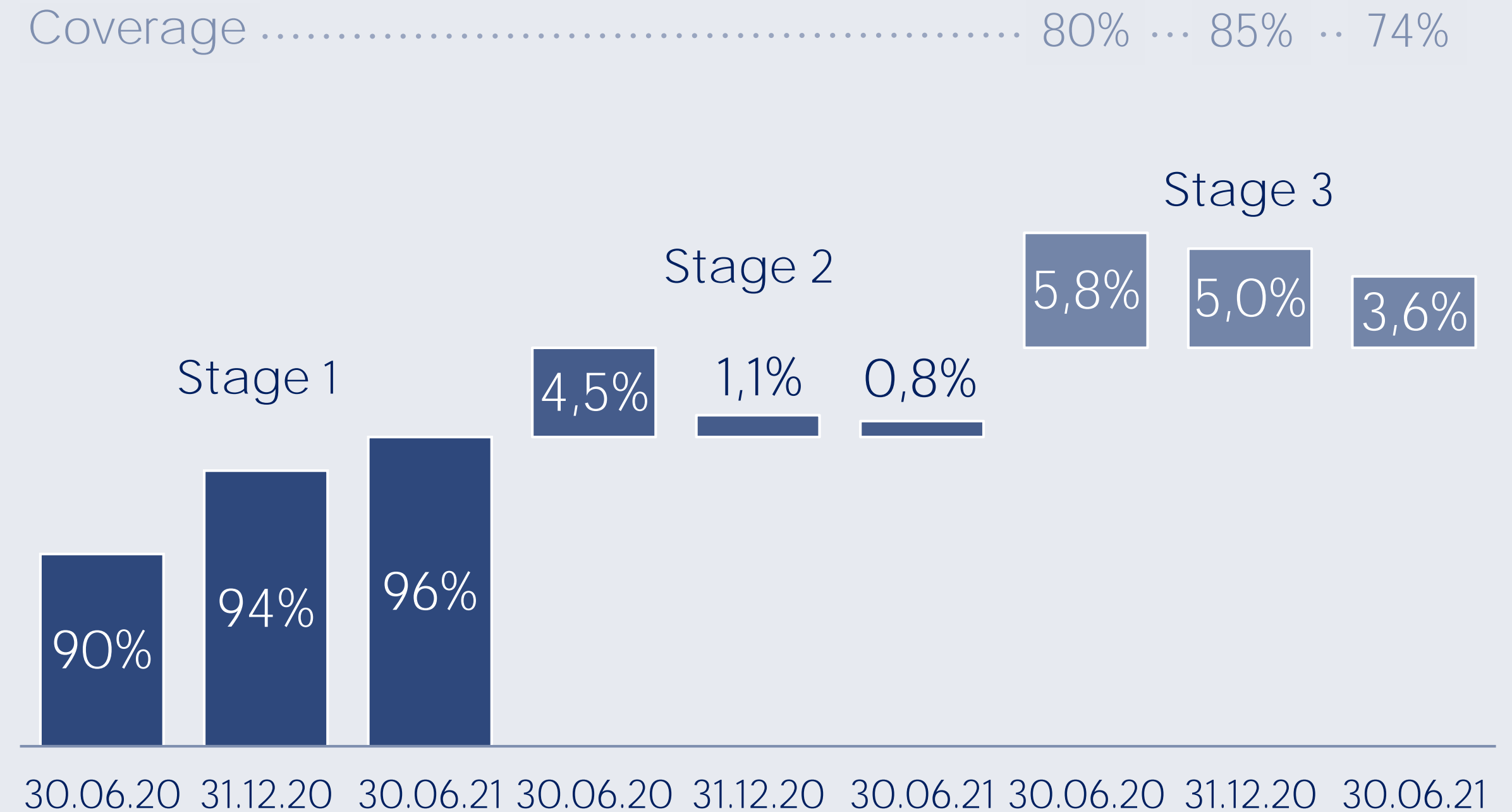
62%

Home equity loans  
market share<sup>2</sup>

1.5%

Mortgage  
market share<sup>2</sup>

## COMPOSITION OF GROSS PORTFOLIO



Source: IFRS financial statements (1H20 – 1H21)

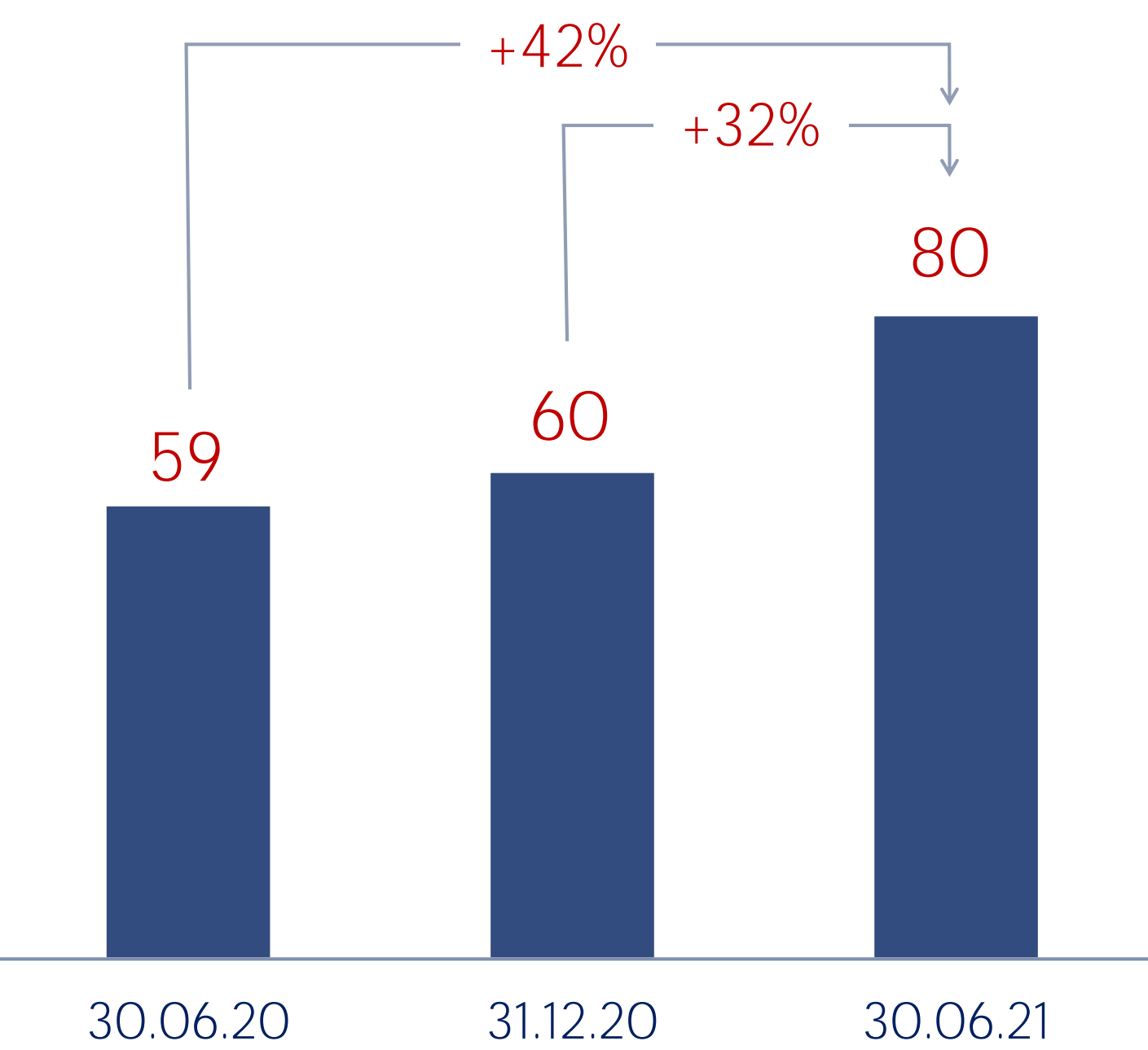
1. Mortgage loans less allowance for loan impairment. Incl. home equity loans of Orient Express

2. According to DOM.RF

# CONSUMER LOANS

₴BN

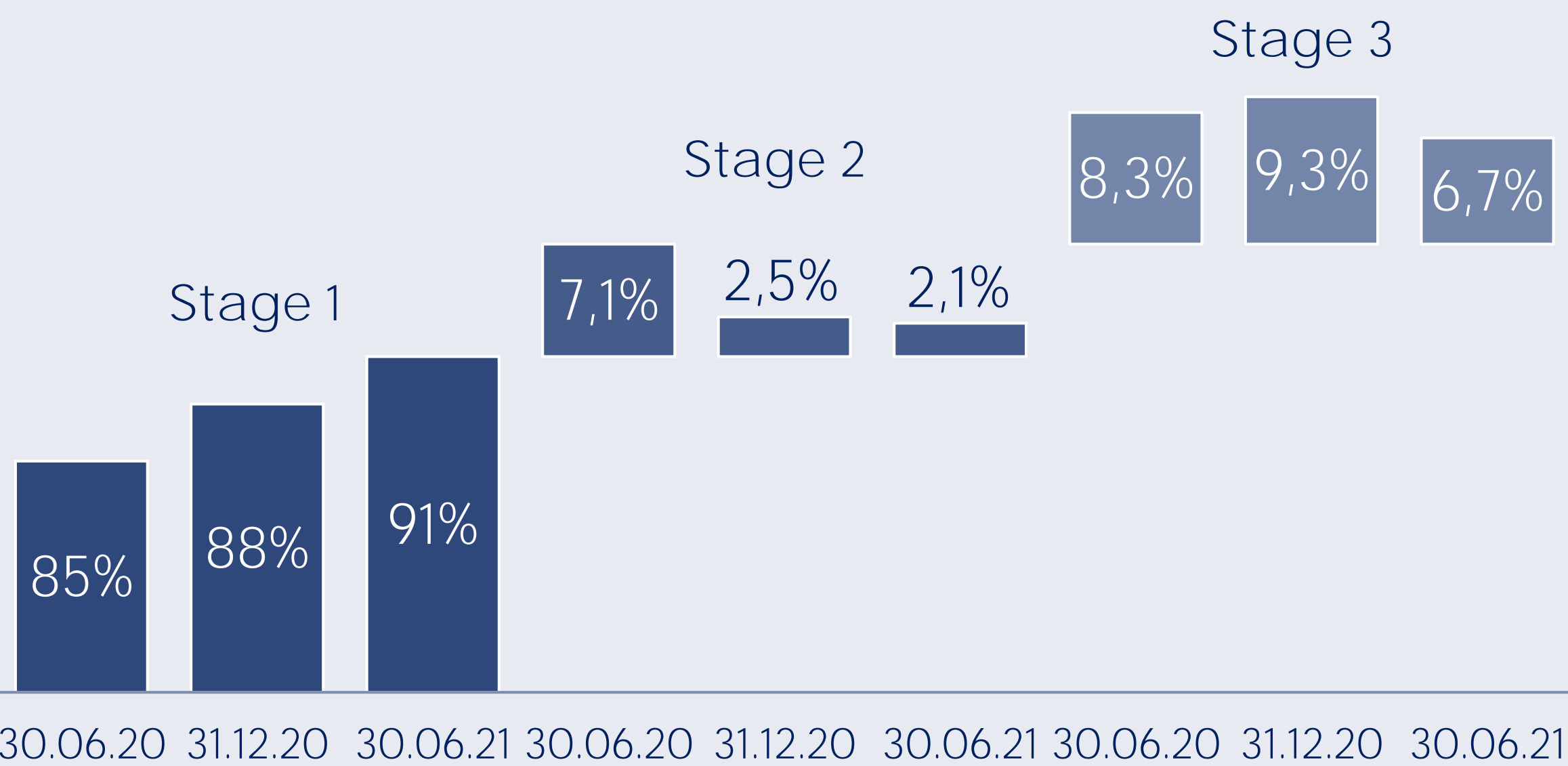
NET PORTFOLIO<sup>1</sup>



₴32BN Loans disbursed in 1H21  
+58% vs. 1H20

COMPOSITION OF GROSS PORTFOLIO

Coverage ..... 139% ... 131% .. 145%



Source: IFRS financial statements (1H20 – 1H21)  
1. Consumer loans less allowance for loan impairment. Incl. consumer loans of Orient Express

# DISTRIBUTION CHANNELS

## OWN RETAIL NETWORK

2.9k Offices

1.0k Towns

87% Brand awareness<sup>1</sup>

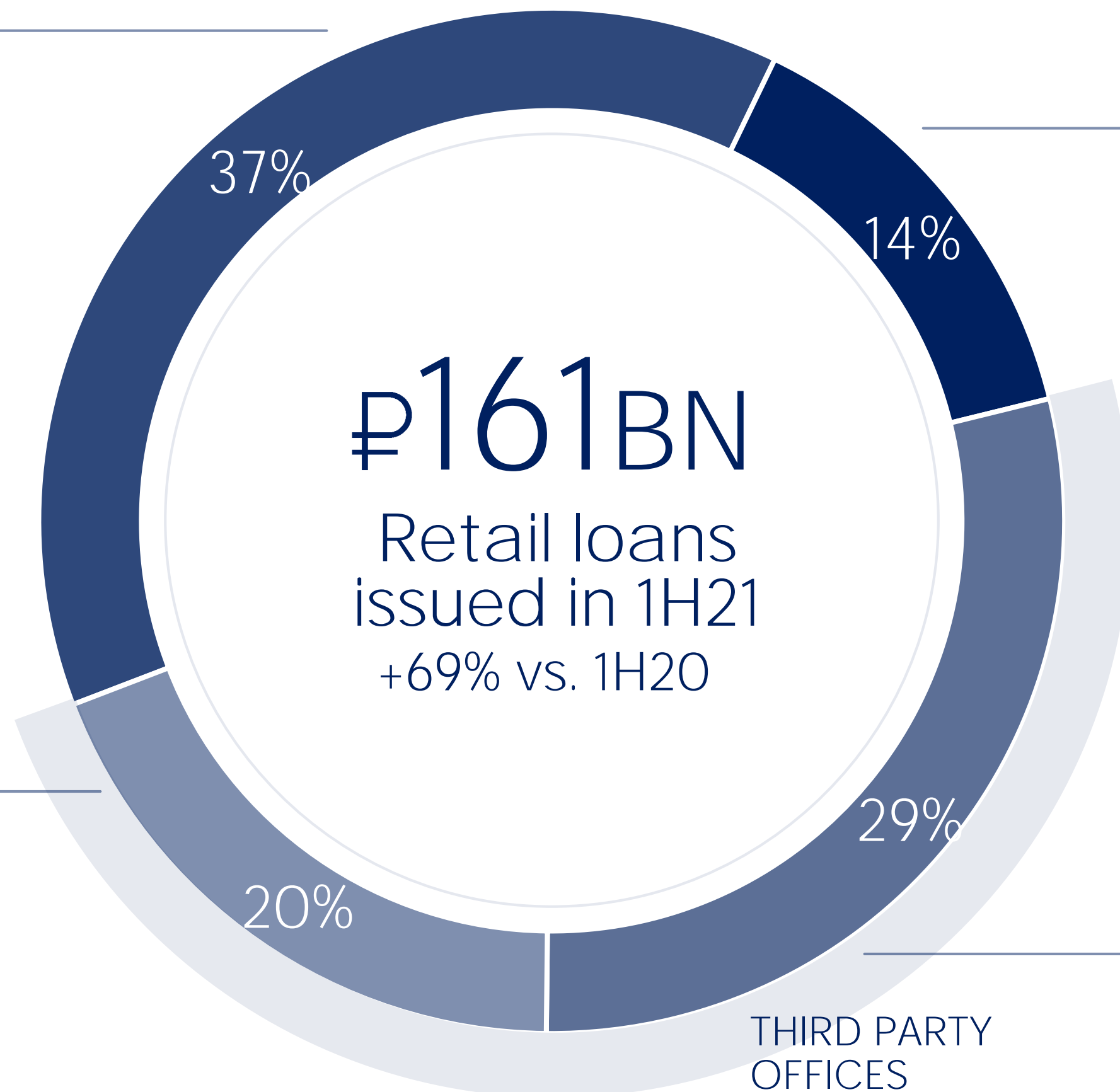
#1 Bank by people ranking<sup>2</sup>

## REAL ESTATE

1.8k Realtors

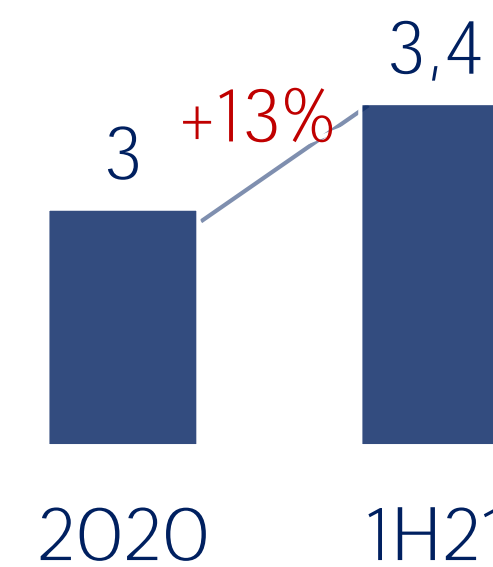
0.7k Developers

% OF RETAIL LOANS DISBURSED IN 1H21

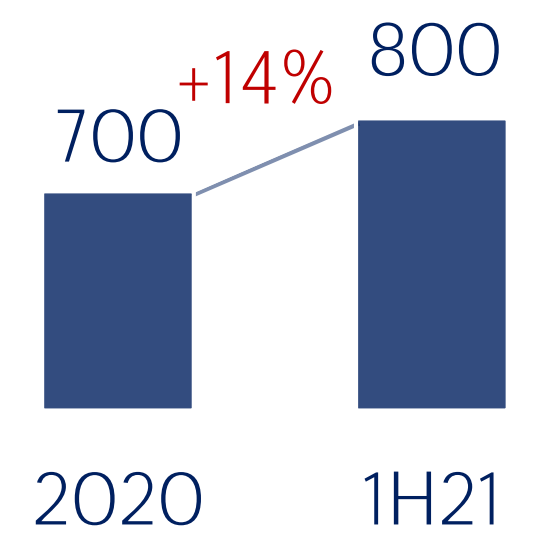


## DIGITAL BANK

MAU, mln



DAU, thousand



10M Web-site visits in 2Q21

#3 Mobile banking app<sup>3</sup>

## AUTO-DEALERSHIPS

2k Showrooms

Source: : IFRS financial statements (as at 30 June 2020), company disclosure

1. Internal customers' survey

2. People's ranking based on the feedback of customers on Banki.ru

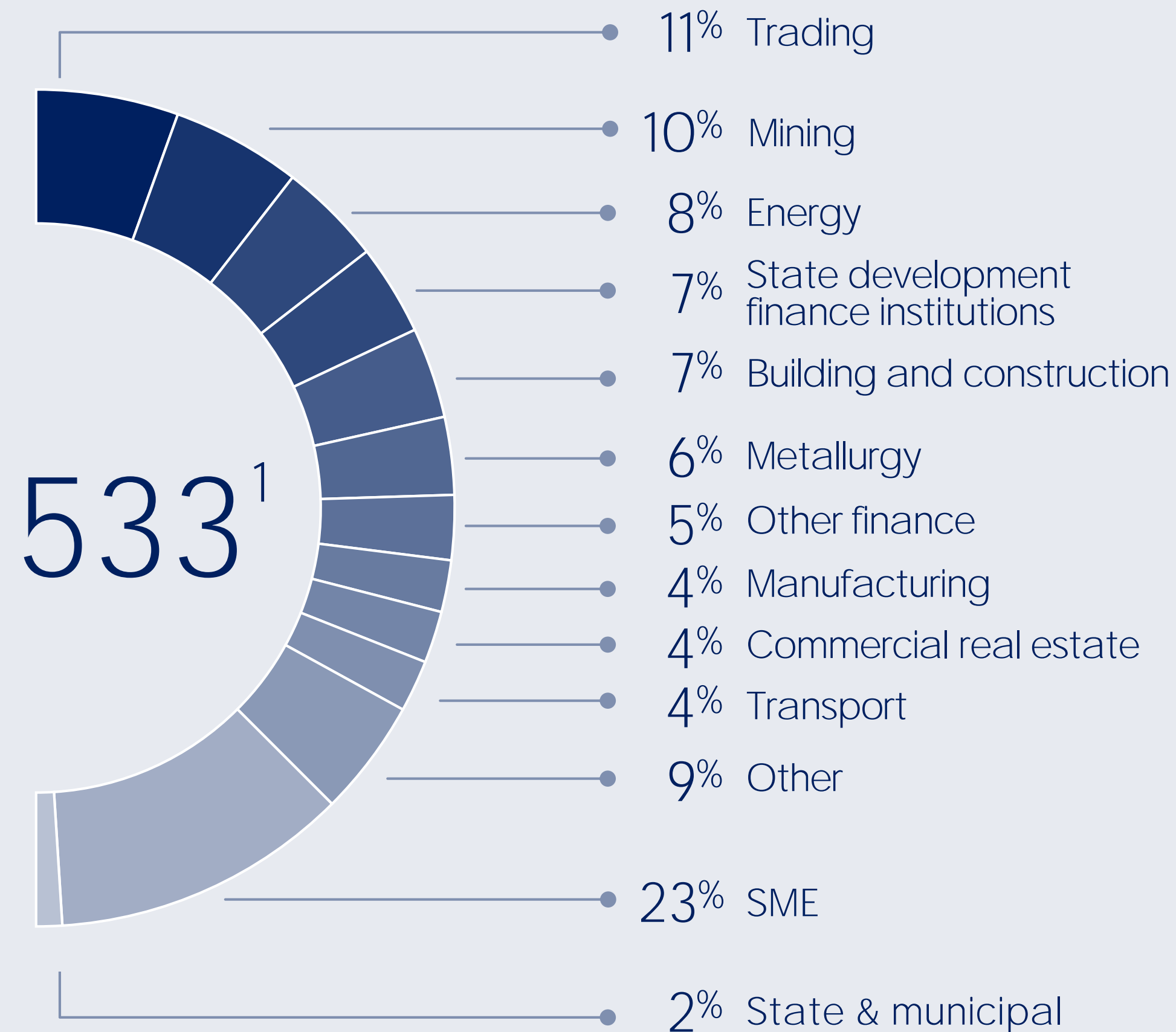
3. MARKSWEBB Mobile Banking Rank 2020

# CORPORATE BANKING

# CORPORATE LOAN PORTFOLIO

₽BN

Segment sustainable profit: ₽ 6BN for 1H21



Source: IFRS financial statements (as at 30 June 2021)

1. Corporate loans, Loans to small businesses and other loans to customers and Loans to constituent entities and municipalities of the Russian federation less allowance for loan impairment

30%

State-related loans

Orient Express portfolio: ₽ 6BN

8%

The largest exposure (state)

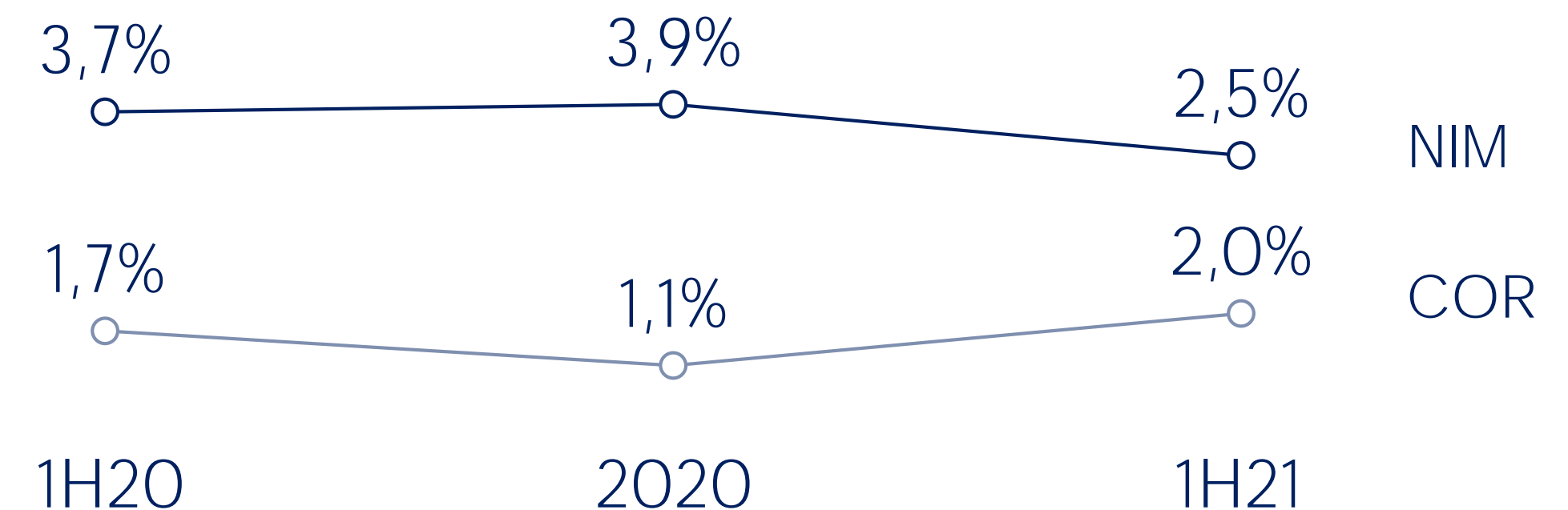
37% - TOP-10 borrowers

213

«Blue Chips»

200k

SME clients

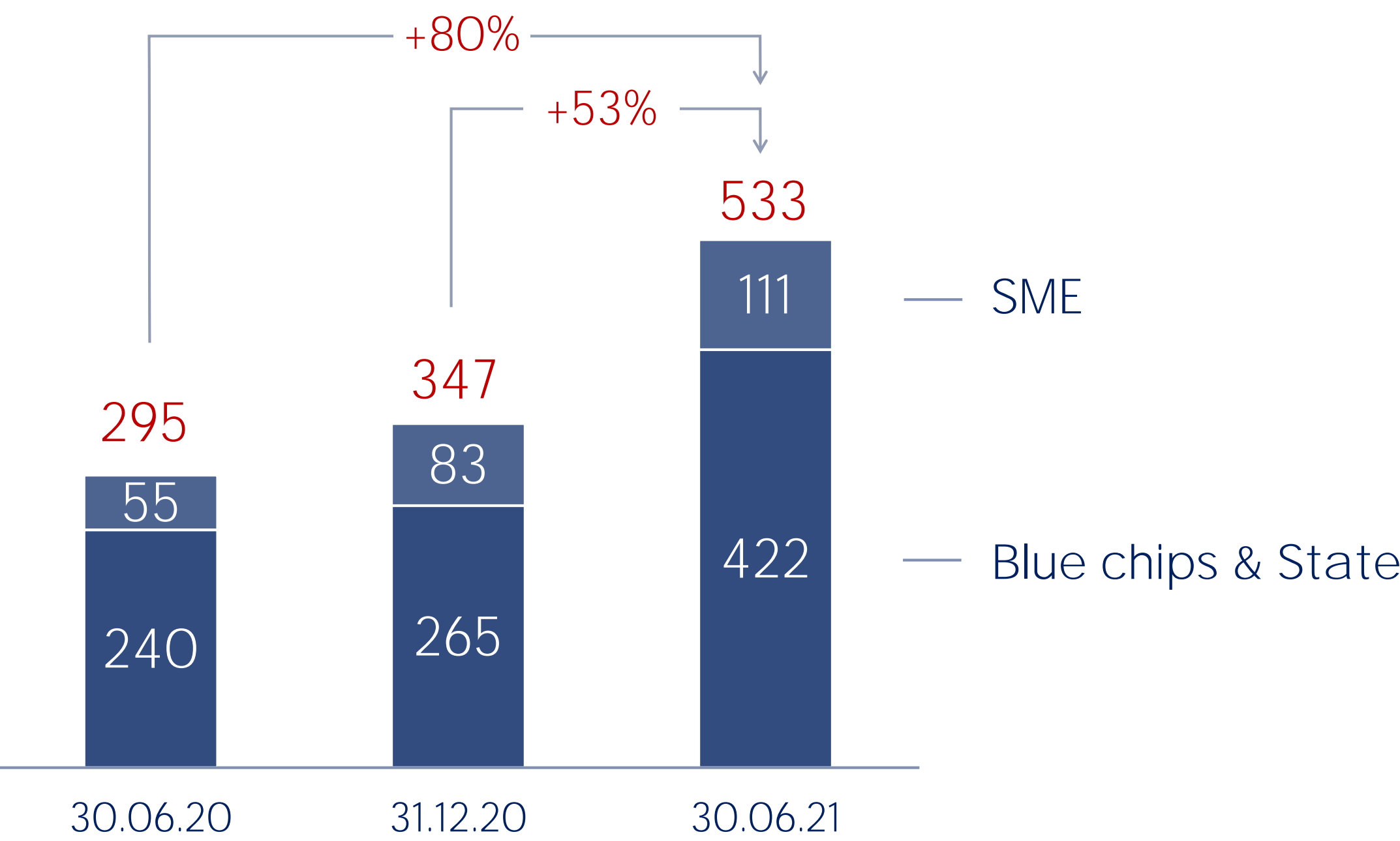




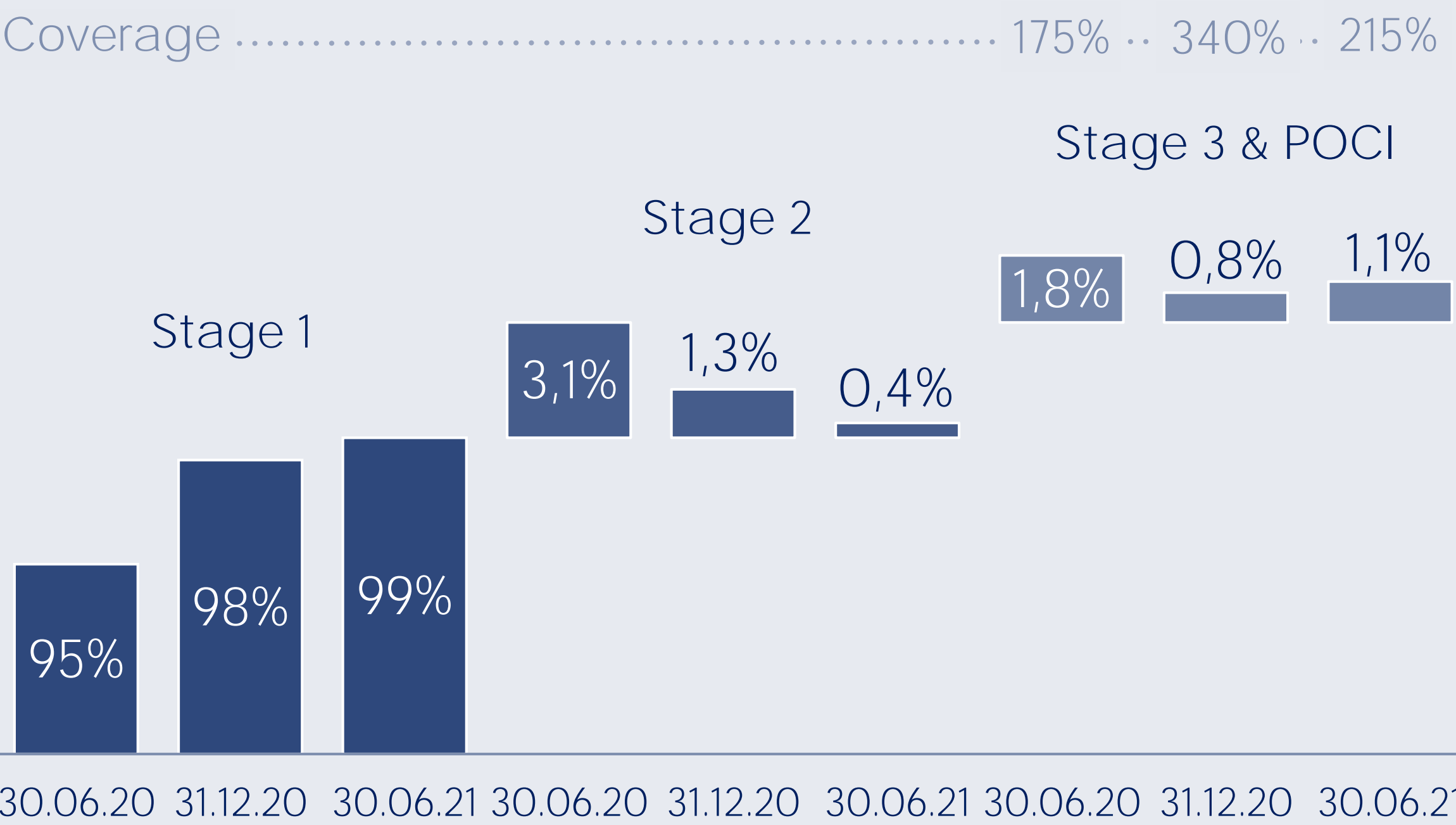
# CORPORATE LOAN PORTFOLIO

₽BN

NET PORTFOLIO<sup>1</sup>

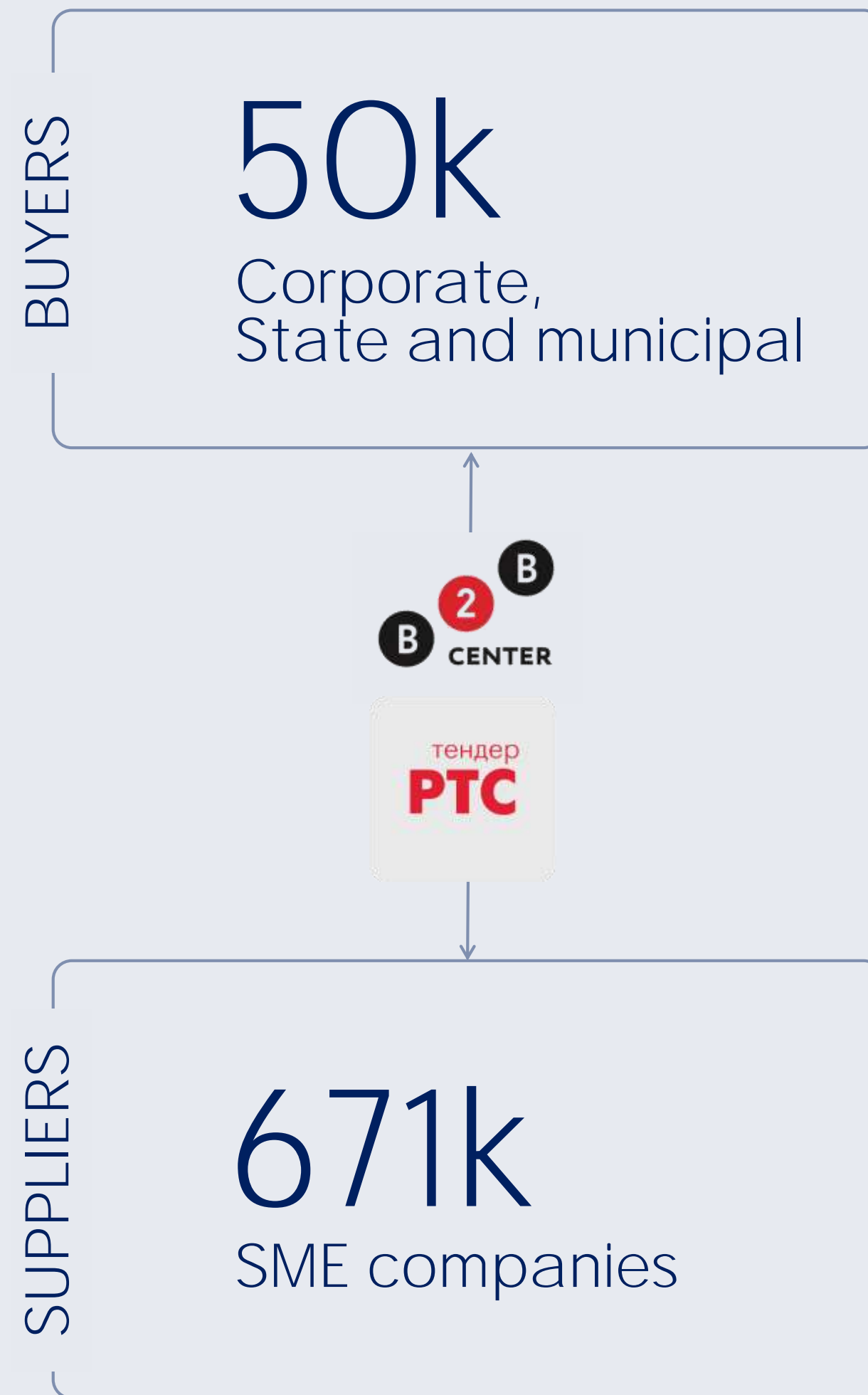


COMPOSITION OF GROSS PORTFOLIO<sup>2</sup>

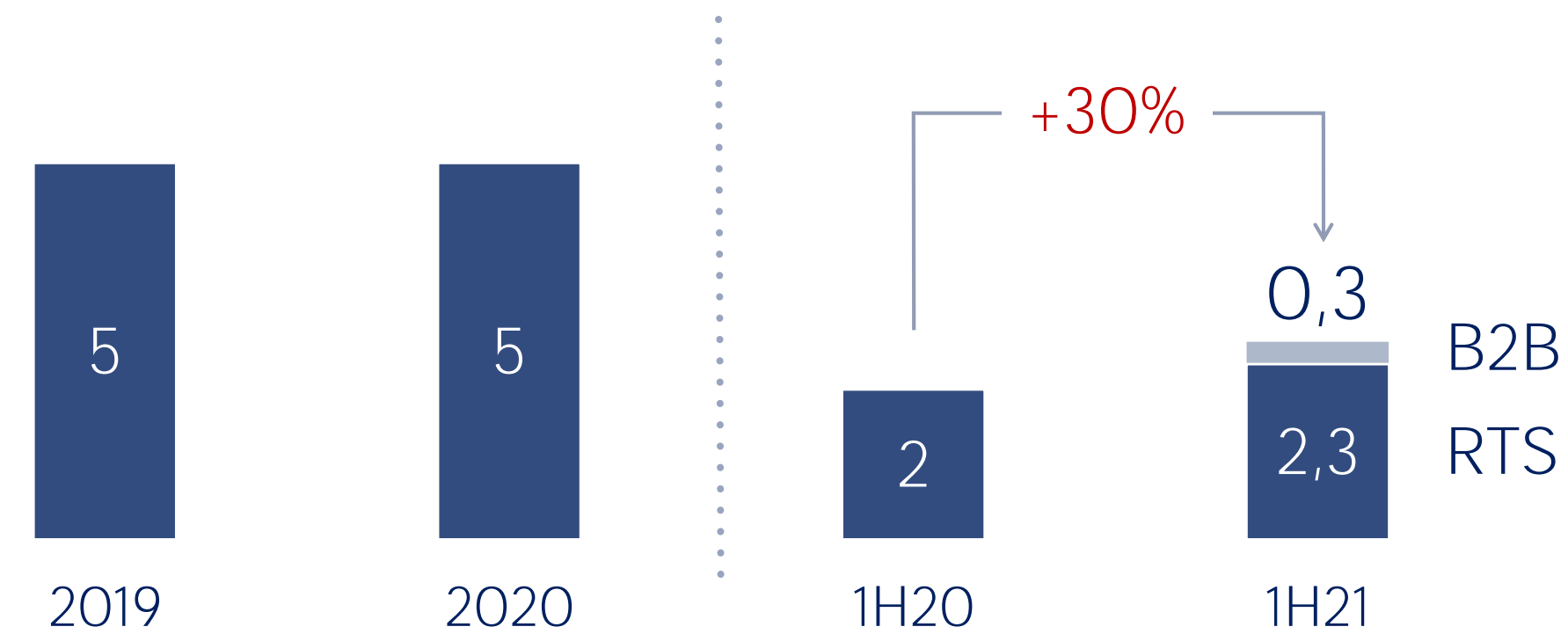


Source: IFRS financial statements (1H20 – 1H21)  
1. Corporate loans, Loans to small businesses and other loans to customers and Loans to constituent entities and municipalities of the Russian federation less allowance for loan impairment  
2. Excluding bonds at amortized cost

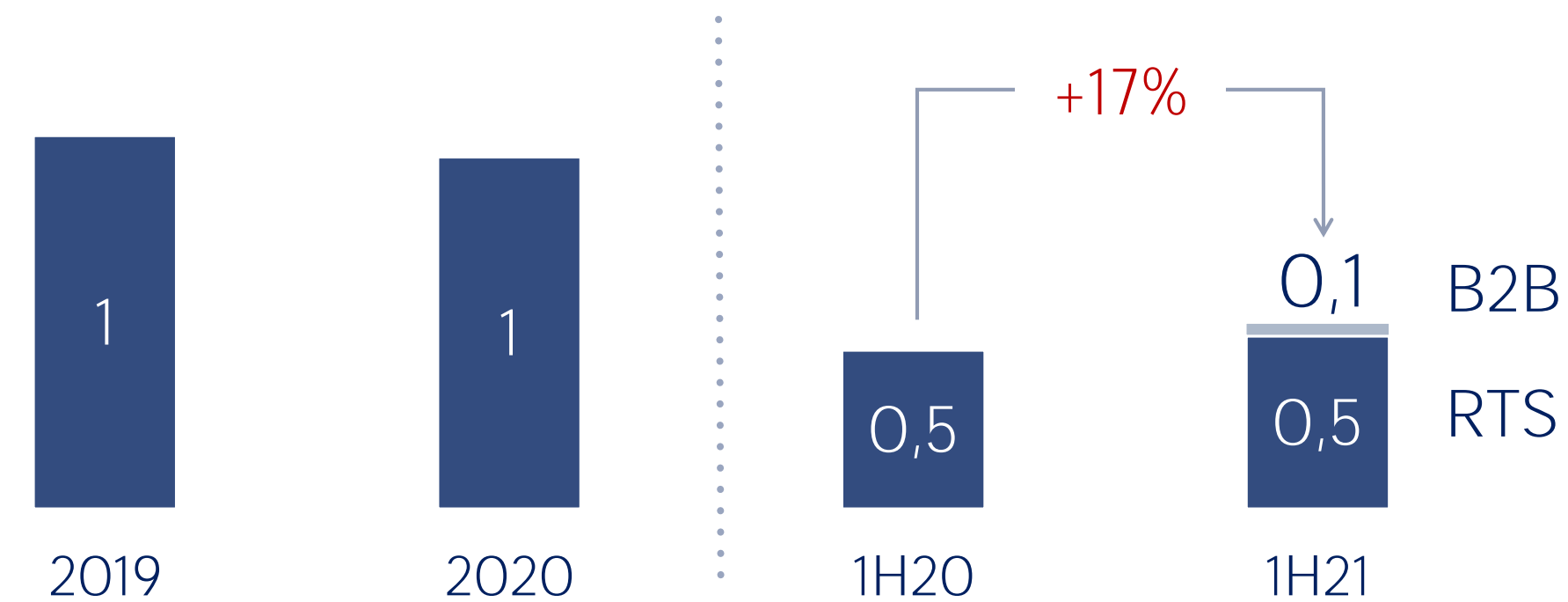
# PROCUREMENT MARKETPLACE: RTS + B2B



GMV<sup>1</sup>, ₴T

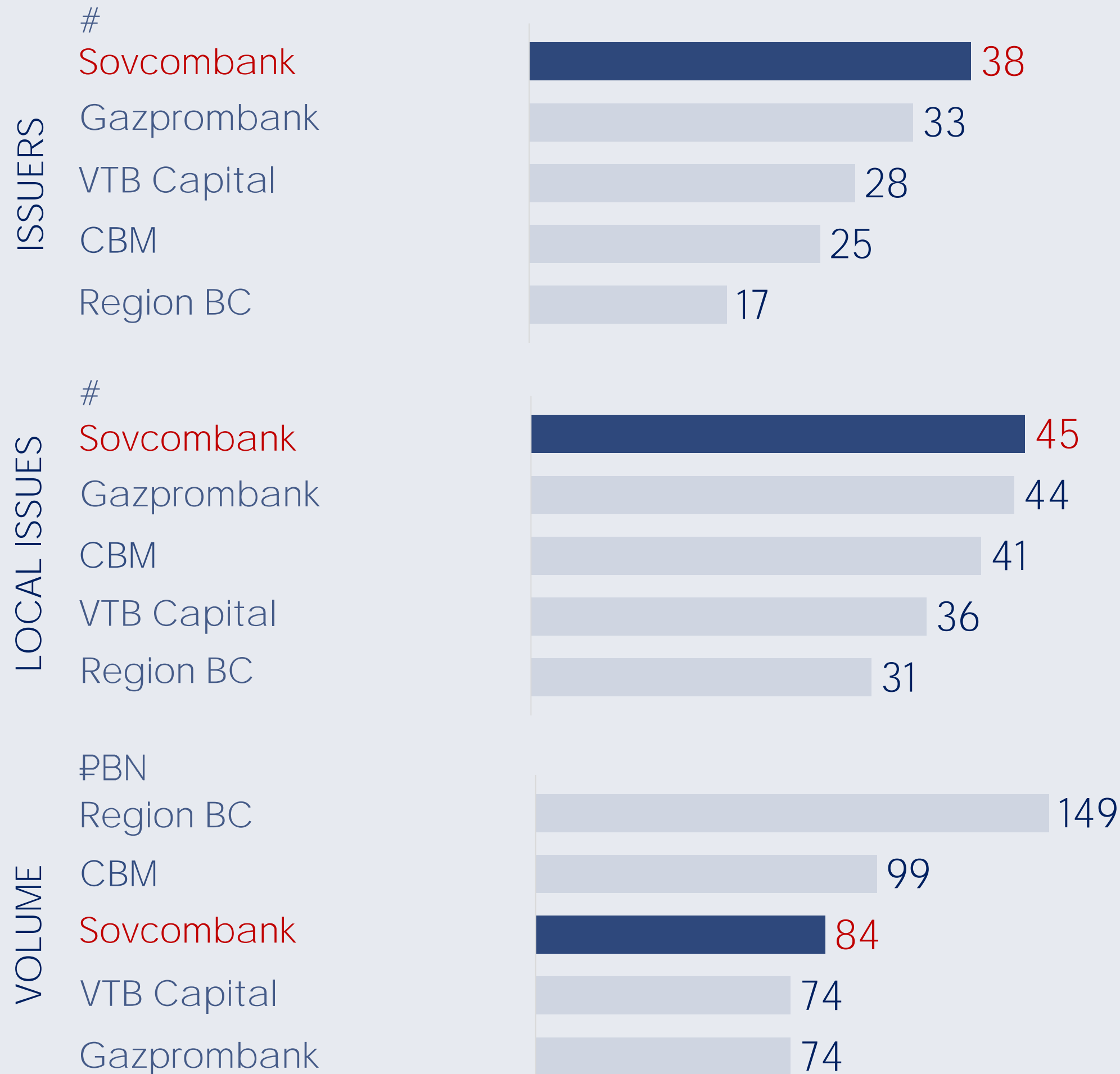


CONTRACTS, mln



# MARKET-LEADING DCM FRANCHISE

## MARKET ISSUES, EXCLUDING OWN ISSUES<sup>1</sup>



## OTHER CAPITAL MARKET SERVICES

Precious metals

Securities trading (MOEX, international exchanges, OTC)

FX trading & hedging

Trade finance

## AWARDS 2020

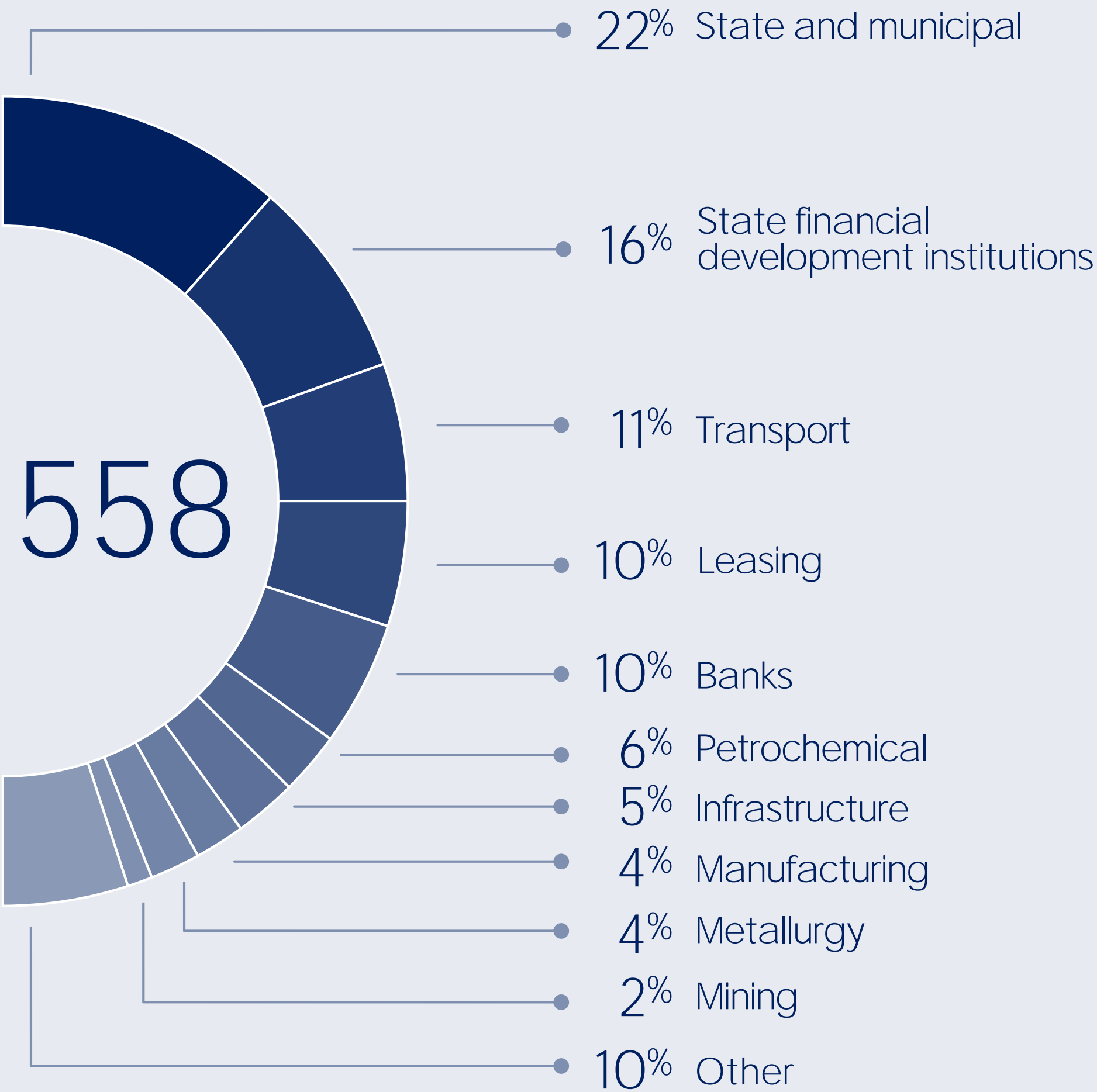


TREASURY

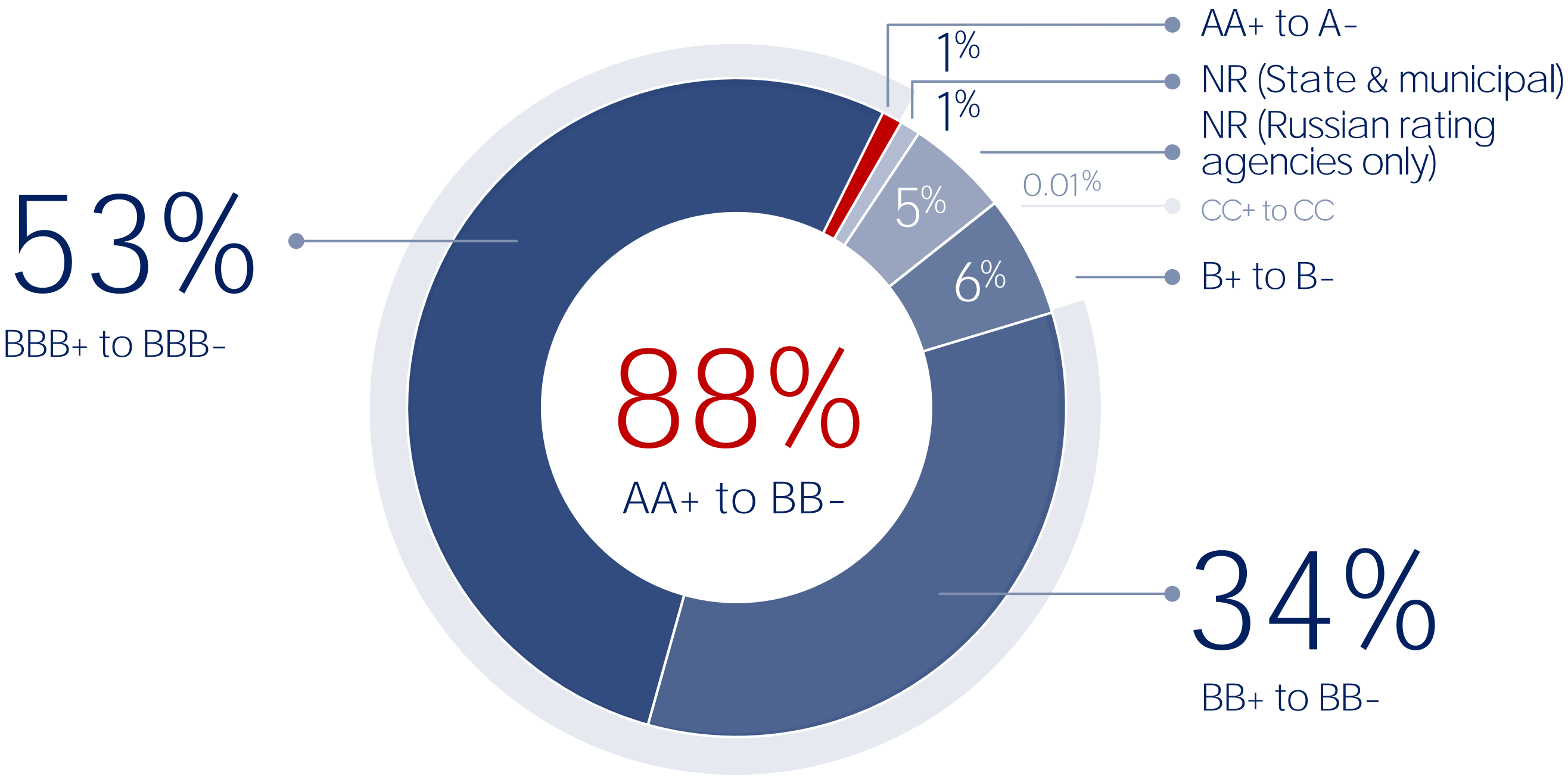
# BOND PORTFOLIO<sup>1</sup>

₽BN

Segment sustainable profit: ₽ 4BN for 1H21



## CREDIT RATINGS BY MOODY'S / S&P / FITCH

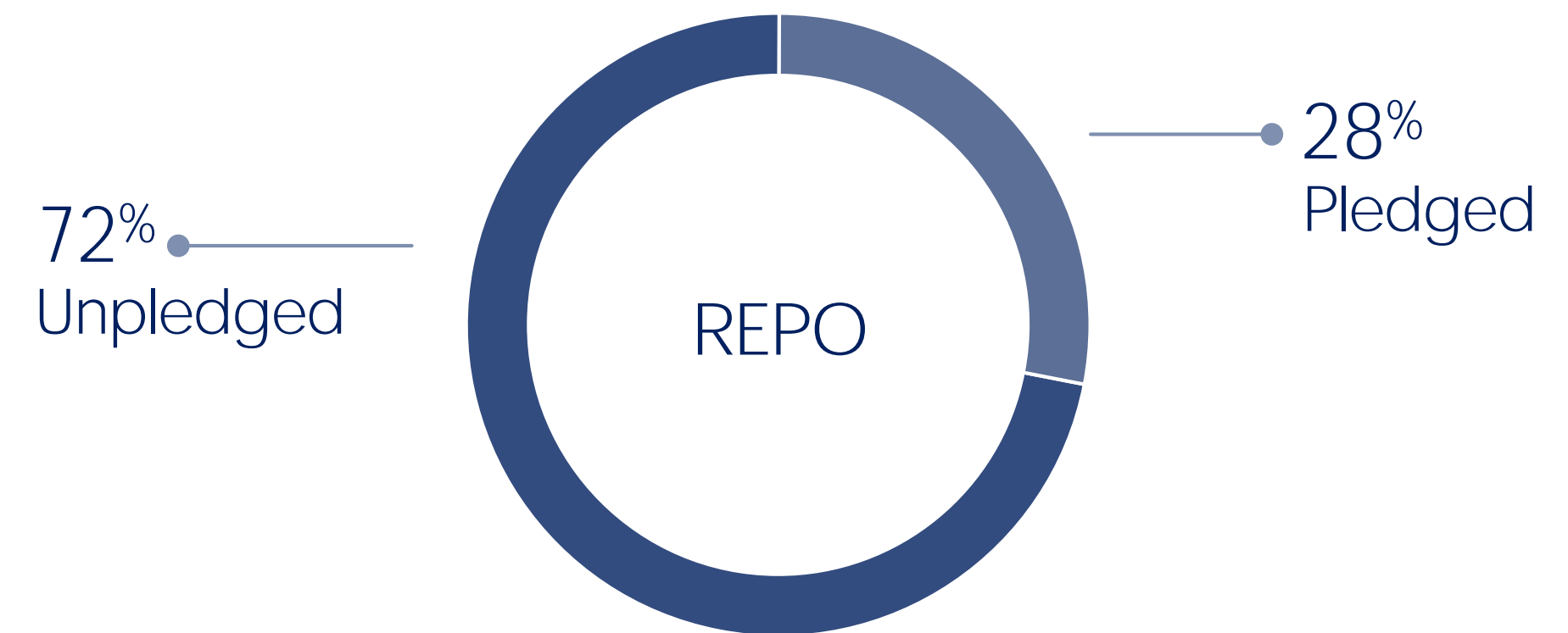
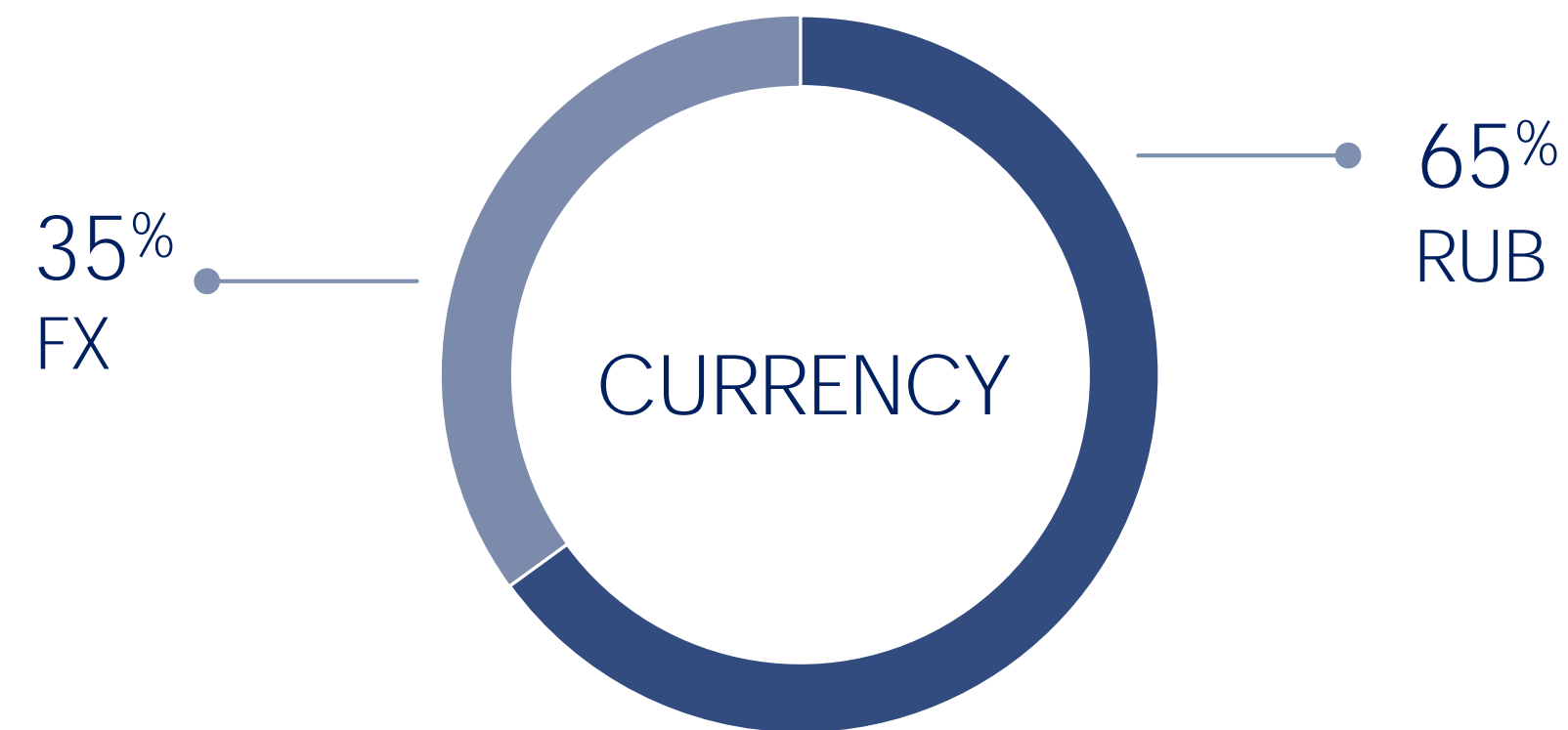
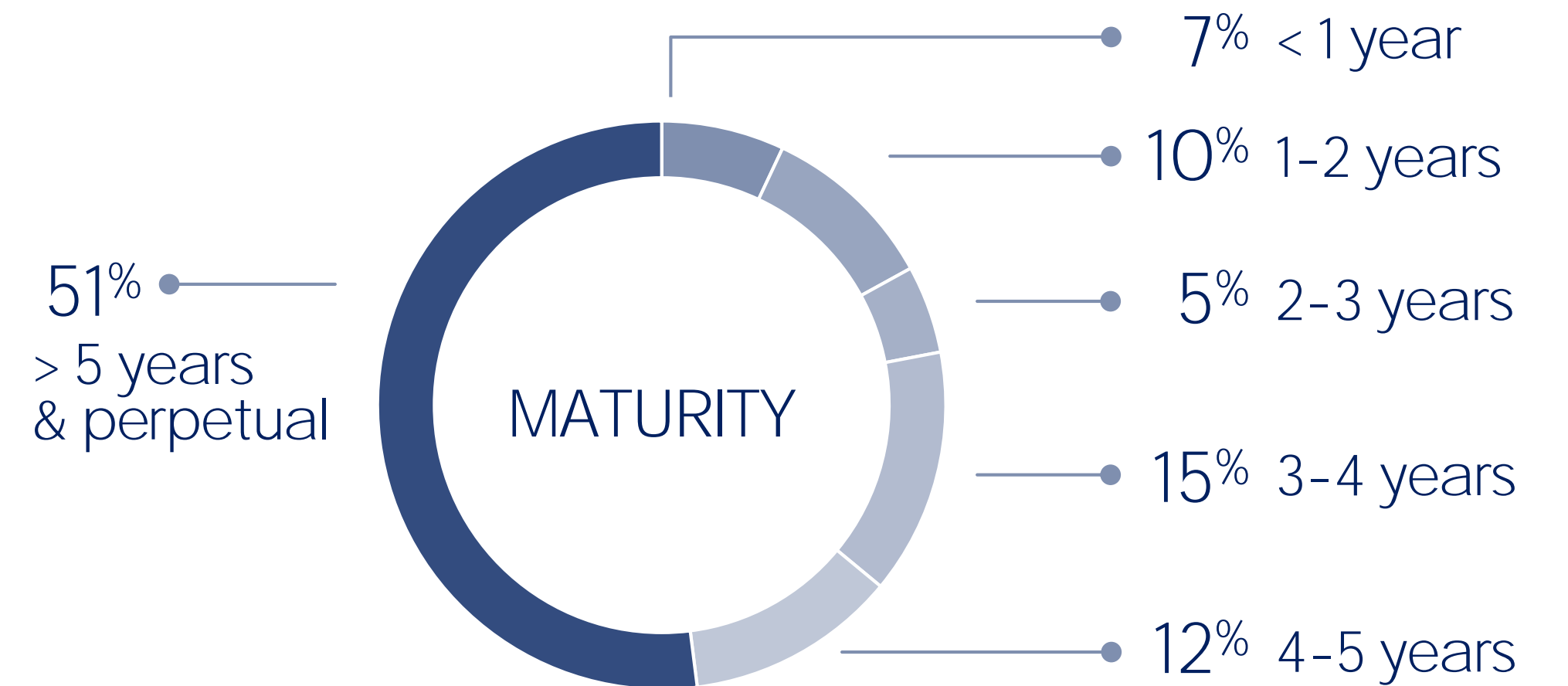
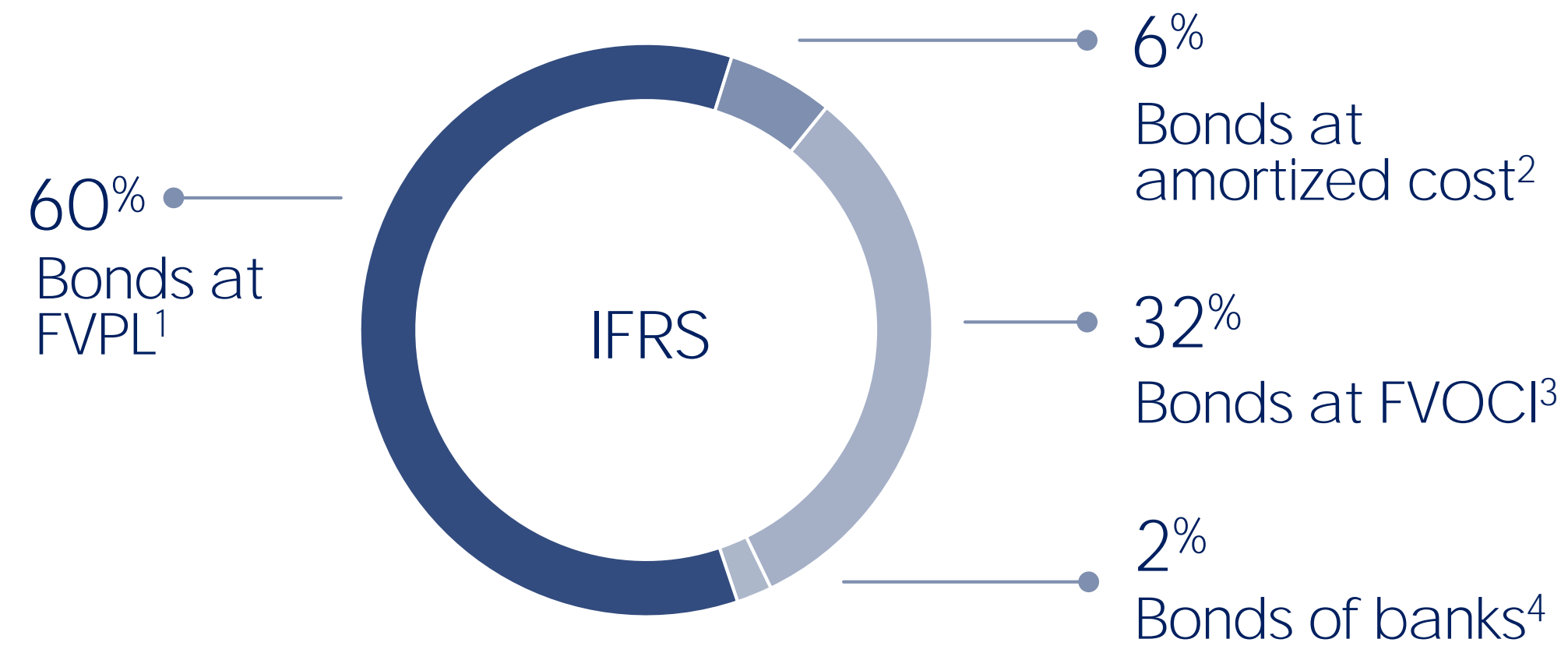


State-guaranteed  
**66%**  
of bond portfolio

Source: IFRS financial statements (as at 30 June 2021)  
1. Financial instruments at FVPL excluding derivative financial instruments, corporate shares and shares of companies with state participation; Financial instruments at FVOCI; Corporate bonds, bonds of companies with state participation, Russian subfederal and municipal bonds, and Russian federal Eurobonds measured at amortized cost less allowance for impairment and bonds of Russian banks measured at amortized cost less allowance for impairment

# BOND PORTFOLIO

₽BN



Source: IFRS financial statements (as at 30 June 2021)

1. Financial instruments at FVPL excluding derivative financial instruments, corporate shares and shares of companies with state participation
2. Corporate bonds, bonds of companies with state participation and Russian

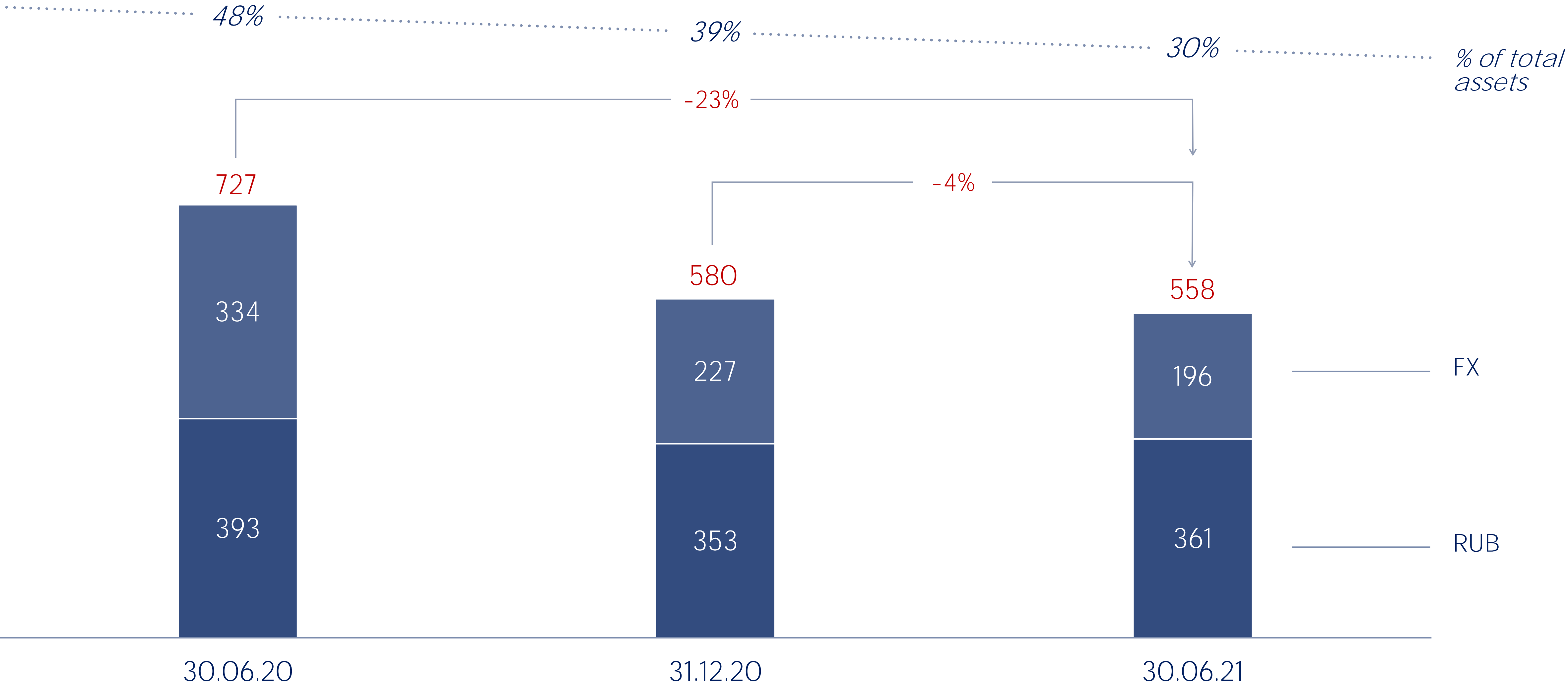
subfederal and municipal bonds, and Russian federal Eurobonds measured at amortized cost less allowance for impairment

3. Financial instruments at FVOCI
4. Bonds of Russian banks measured at amortized cost less allowance for impairment



# BOND PORTFOLIO<sup>1</sup>

₽BN



Source: IFRS financial statements (as at 30 June 2021)  
Values are subject to rounding: rounded components may not add up to the rounded sum

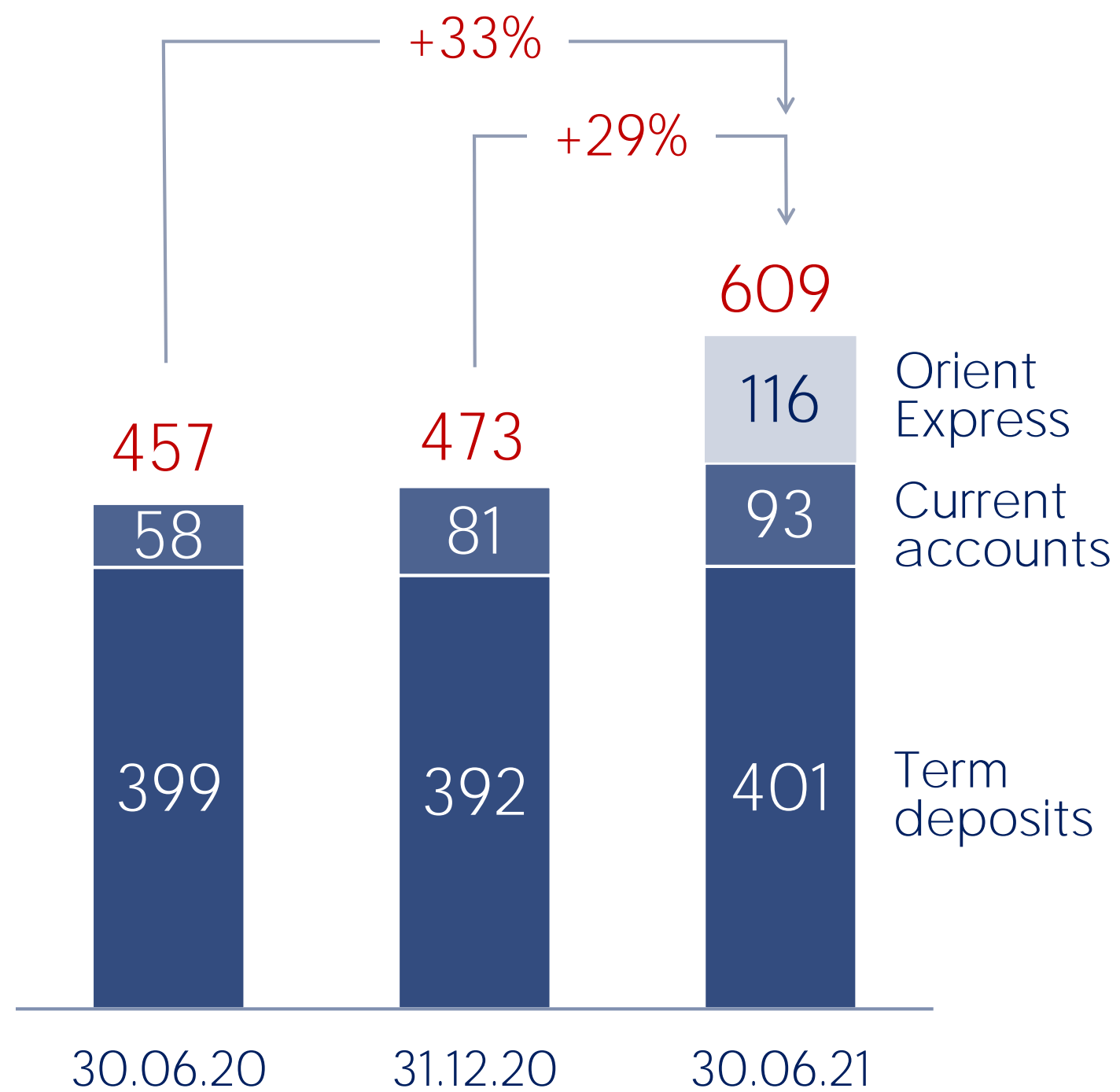
1. Financial instruments at FVPL excluding derivative financial instruments, corporate shares and shares of companies with state participation; Financial instruments at FVOCI; Corporate bonds, bonds of companies with state participation, Russian subfederal and municipal bonds, and Russian federal Eurobonds measured at amortized cost less allowance for impairment and bonds of Russian banks measured at amortized cost less allowance for impairment

# FUNDING & CAPITAL

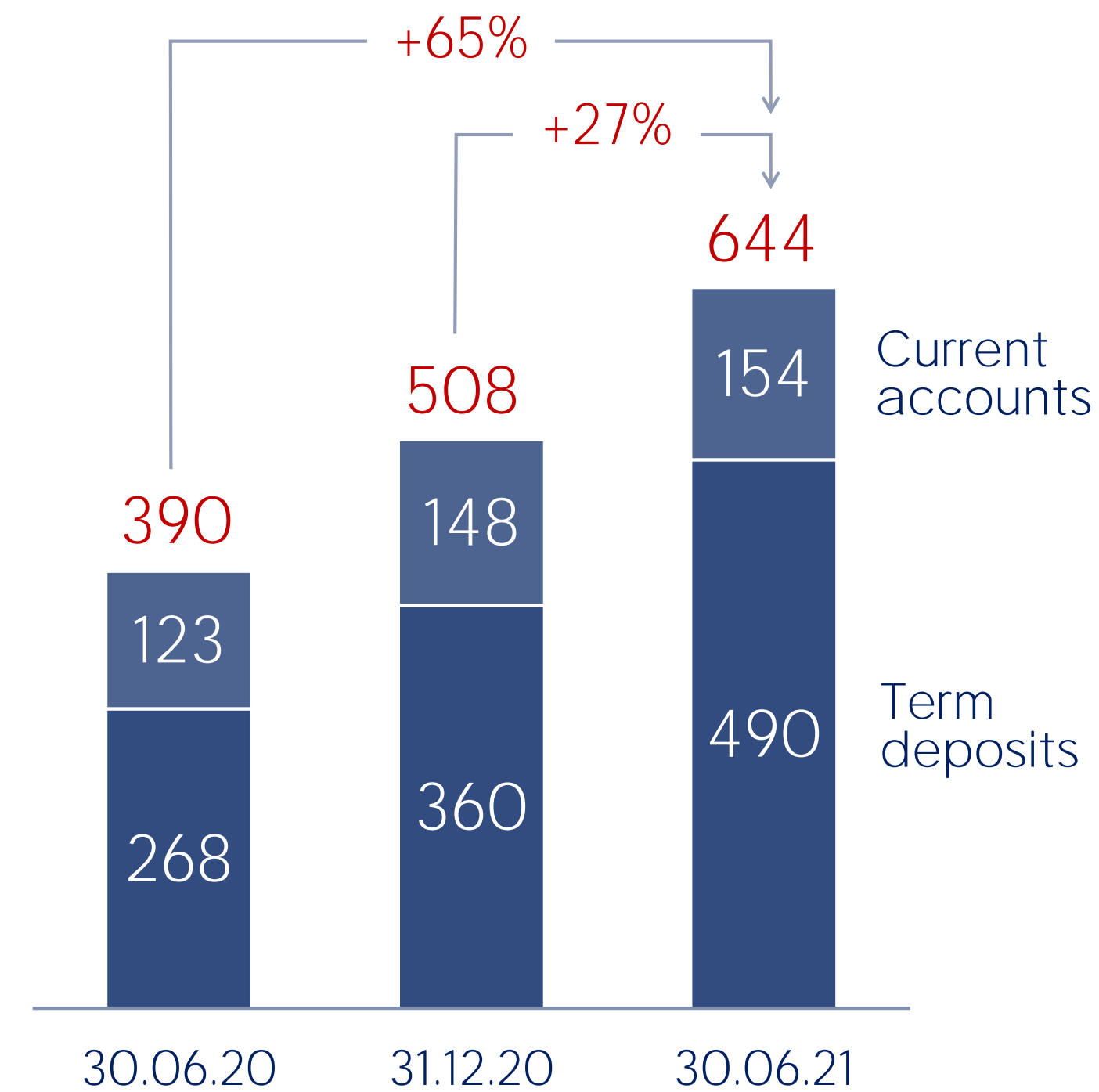
# FUNDING

₽BN

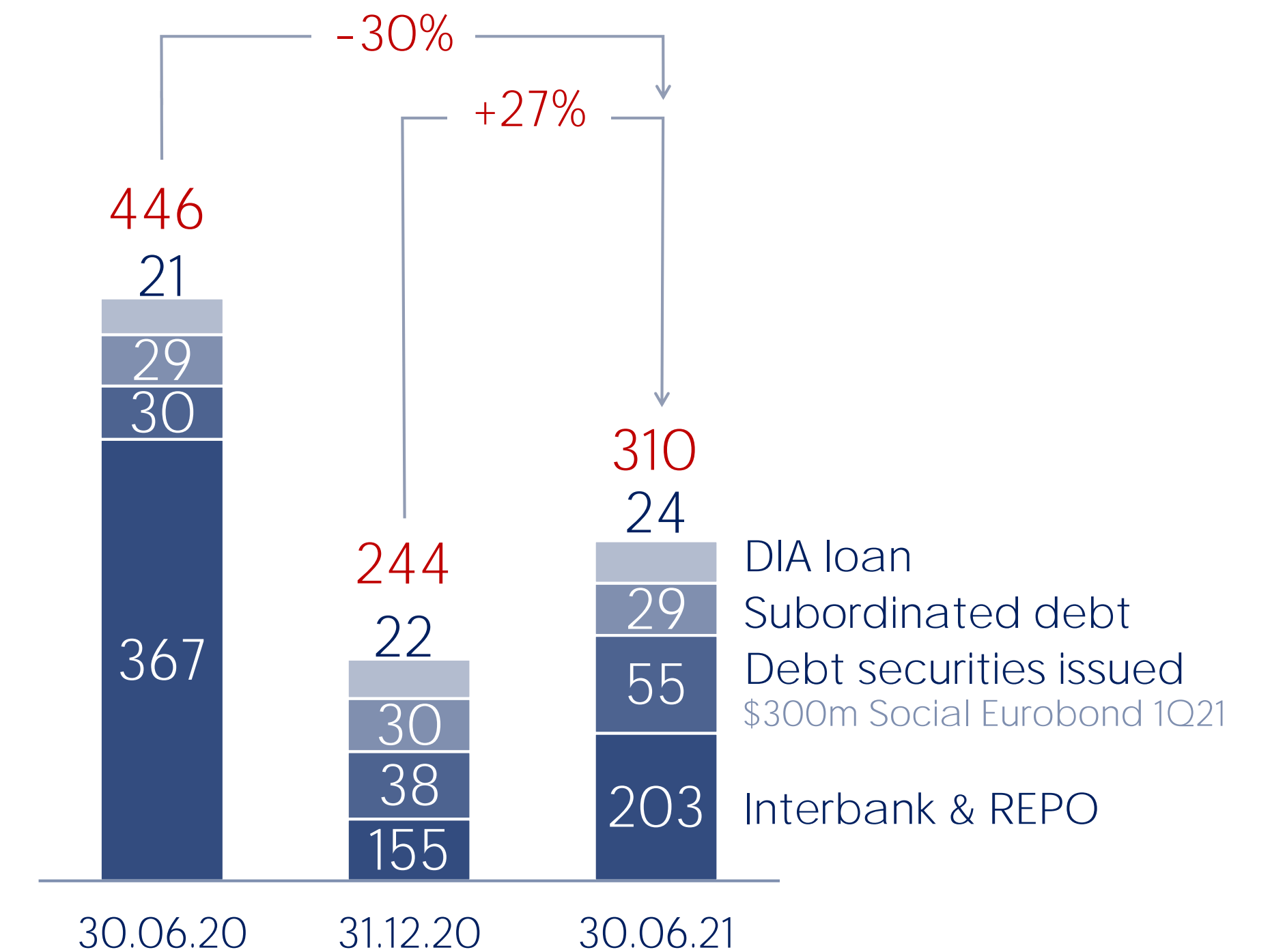
## RETAIL



## CORPORATE



## WHOLESALE

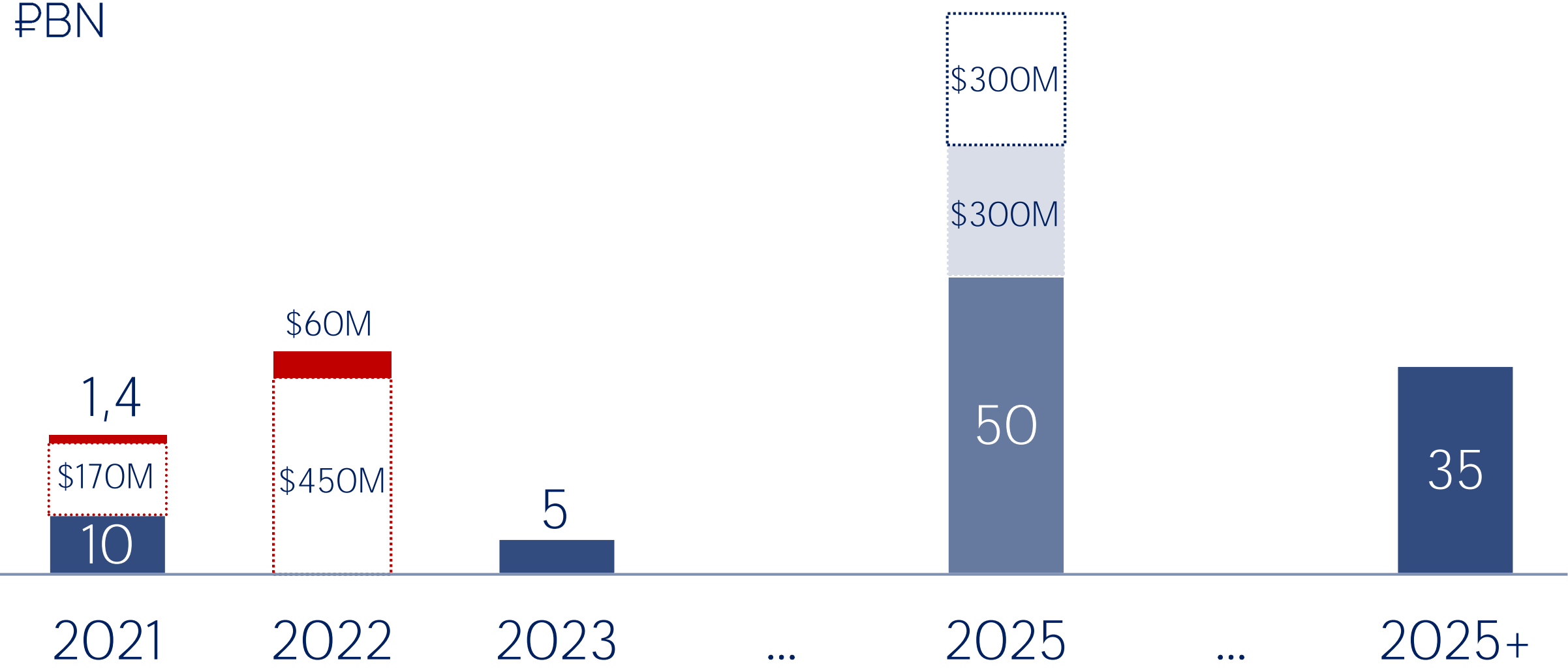


# WHOLESALE FUNDING

## DEBT MATURITY PROFILE



₽BN



\*call-option in 2025, maturity in 2030

2021

\$170m first tranche of syndicated loan from a consortium of international banks

2022

\$450m second tranche of syndicated loan

\$60m loan from Black Sea Trade & Development bank

2025

\$300m Social Eurobond issue in Jan 2021 to finance Halva portfolio

\$300m T2 Subordinated Eurobond issue in Oct 2019

₽50BN DIA financing at below-market rate for Express Volga rehabilitation

2021 – 2025+

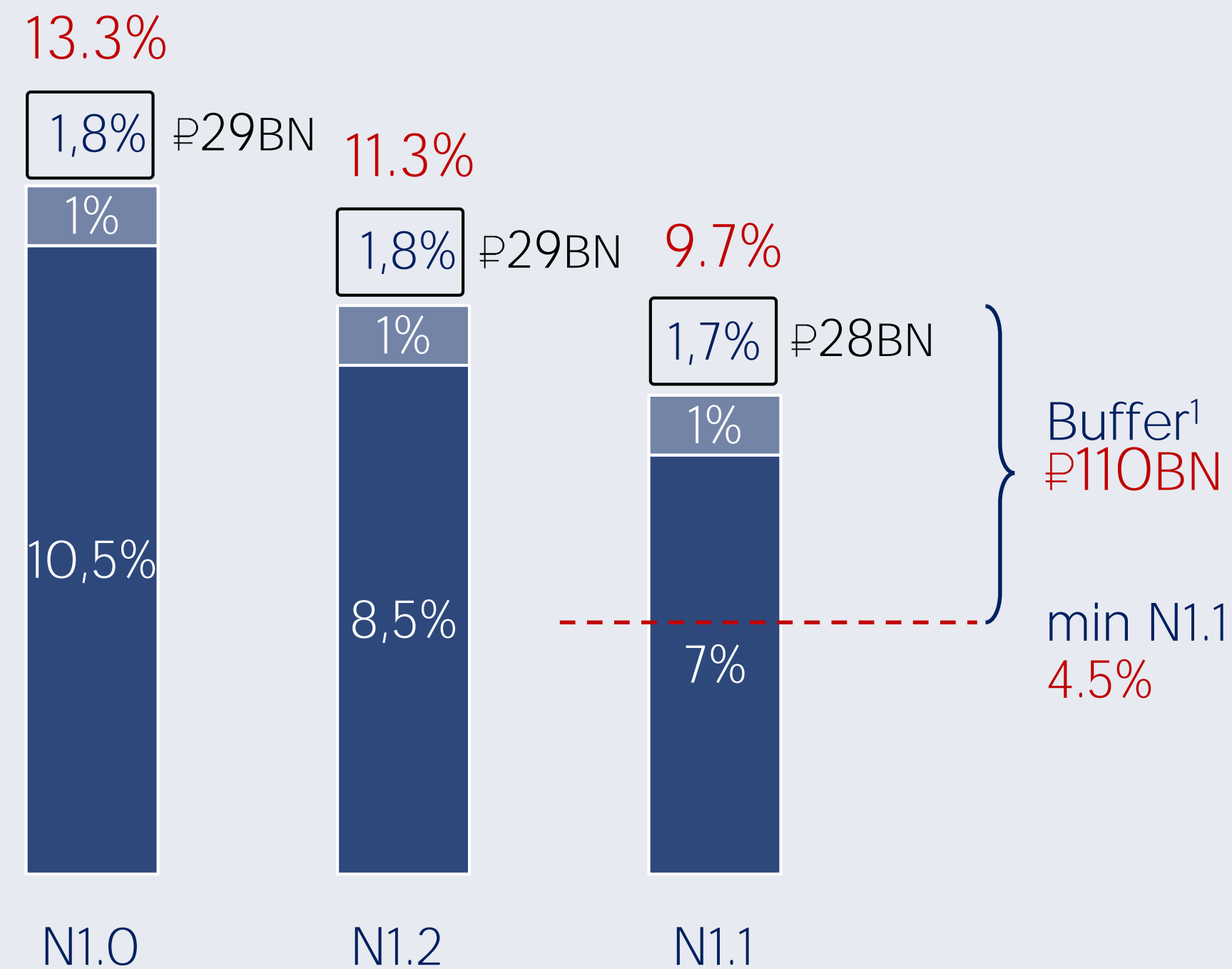
6 senior local bond issues during 2020, 1 issue in 1Q21

5 senior local bond issues during 2017-2019

# CAPITAL

## RAS CAPITAL ADEQUACY (BASEL 3.5)

Standalone, as at 01.07.2021 (incl. Orient Express)



₹BN

## IFRS CAR

₹BN	30.06.21
Common equity (CET1)	165
Additional (AT1)	26
Tier 1 capital	191
Tier 2 capital	29
Total capital	220
Total risk-weighted assets	1 619
Tier 1 capital adequacy ratio	11.8%
Total capital adequacy ratio	13.6%

## IFRS EQUITY

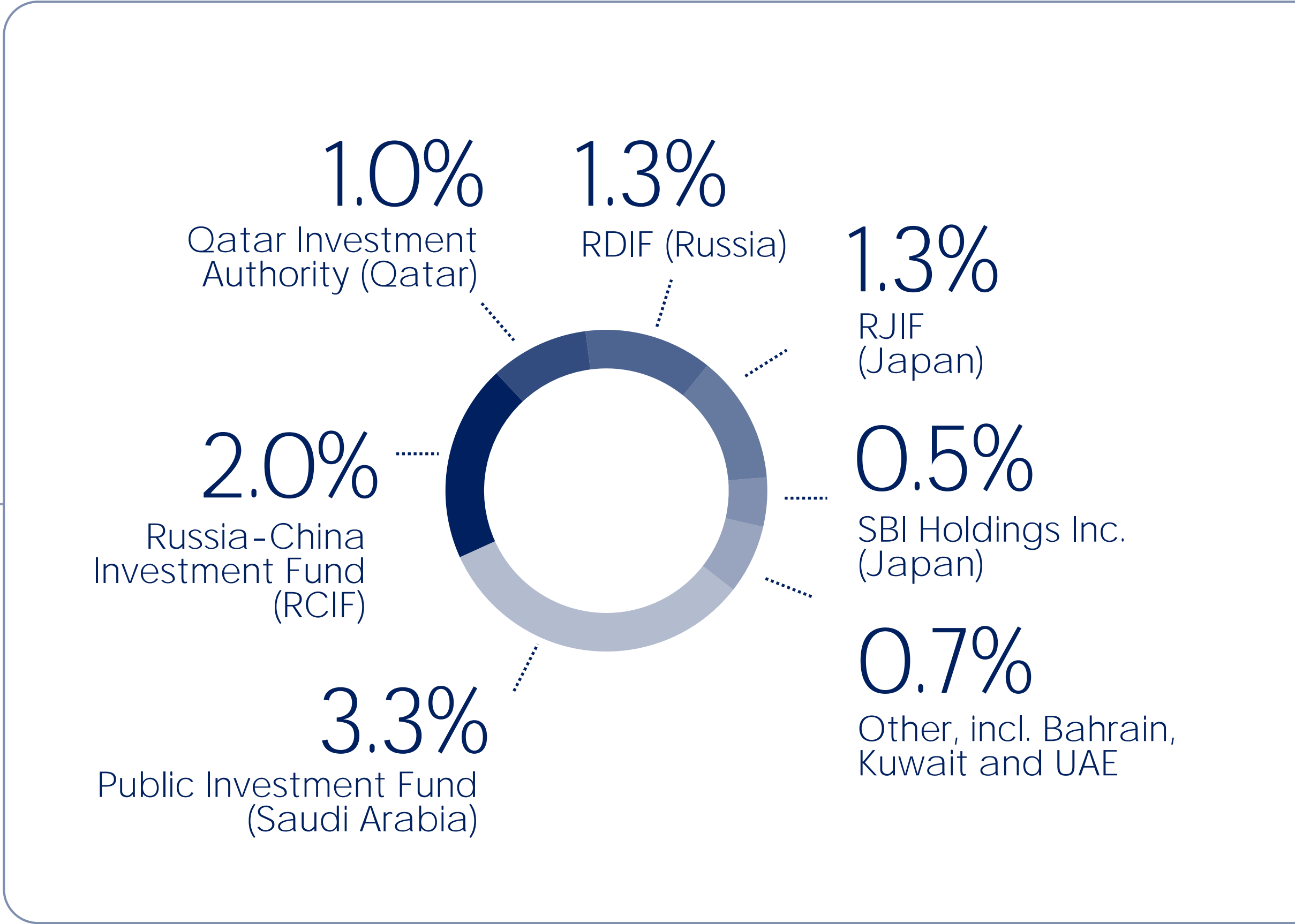
₹BN	30.06.21
Share capital	2
Treasury shares	(5)
Other capital contribution	26
Perpetual subordinated bonds	26
Retained earnings	154
Revaluation reserves (FVOCI, buildings)	(3)
Non-controlling interest	8
Total equity	207

Source: IFRS financial statements (2020 – 1H21), company disclosures, CBR  
 Values are subject to rounding: rounded components may not add up to the rounded sum  
 1. Incl. the conversion of the subordinated loan T1 (₹26 billion) into the common equity

# CORPORATE GOVERNANCE



# SHAREHOLDERS



Source: IFRS financial statements (as at 30 June 2021)  
1. Including 3.4% treasury shares

# SUPERVISORY BOARD



Sovco Capital Partners S. à r.l. (Luxembourg)<sup>5</sup>



Mikhail Kuchment<sup>2</sup>  
Chairman of Supervisory Board



Dmitry Gusev<sup>1</sup>  
CEO, Member of Supervisory Board



Sergey Khotimskiy<sup>1</sup>  
1st Deputy CEO, Member of Supervisory Board



Aleksey Fisun<sup>2</sup>  
Member of Supervisory Board



Dmitry Khotimskiy<sup>1</sup>  
Chief investment officer, Member of Supervisory Board




Mikhail Klyukin<sup>2</sup>  
Member of Supervisory Board




Ilya Brodskiy<sup>1</sup>  
President of Sovcombank, Member of Supervisory Board

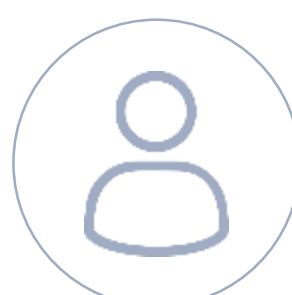
Sovereign funds



Anatoly Braverman<sup>3</sup>  
1st Deputy CEO of RDIF, Member of Supervisory Board




Ya Li<sup>4</sup>  
RCIF investment Director, Observer to the Supervisory Board




TBA  
RJIF Observer to the Supervisory Board


## Independent directors



Nikolai Varma<sup>3</sup>  
Senior Independent Director  
*Ex-MD at Morgan Stanley*



Regina von Flemming<sup>3</sup>  
Independent Director  
*INED at MTS, BOD member Russian-German Chamber of Commerce*



Joel Lautier<sup>3</sup>  
Independent Director  
*CEO of RGG CAPITAL, investment advisory company*

1.

Dmitry Khotimskiy, Sergey Khotimskiy, Dmitry Gusev, and Ilya Brodskiy are the shareholders of the Bank, hold senior management positions and participate daily in the operational management of the Group

2.

Mikhail Kuchment, Mikhail Klyukin, and Alexey Fisun are the shareholders of the Bank, but are not employees and do not participate directly in the operational management of the Group

3.

Anatoly Braverman, Nikolai Varma, Regina von Flemming and Joel Lautier are not employees and do not participate directly in the operational management of the Group


4.

Ya Li is an investment Director of RCIF and an observer of the Supervisory Board of the Bank

5.

Including 3.4% treasury shares

34



# SUPPLEMENTS



1H21

# KEY FINANCIALS

P&L, RUB	1H21	1H20	Δ
NII	52	37	+39%
<i>Net interest margin</i>	<i>7.3%</i>	<i>6.5%</i>	<i>+0.8 p.p.</i>
NFCI	15	11	+33%
Allowance for credit losses	(11)	(11)	-5%
<i>Cost of risk</i>	<i>2.9%</i>	<i>3.4%</i>	<i>-0.5 p.p.</i>
OPEX	(30)	(21)	+44%
<i>Cost / Income</i>	<i>45%</i>	<i>43%</i>	<i>+2 p.p.</i>
Profit for the period	26	10	+166%
<i>ROE<sup>1</sup></i>	<i>31%</i>	<i>16%</i>	<i>+15 p.p.</i>
Sustainable profit	24	13	+87%
<i>Sustainable ROE</i>	<i>28%</i>	<i>20%</i>	<i>+8 p.p.</i>

BS, RUB	30.06.21	31.12.20	Δ
Retail loans <sup>2</sup>	429	298	+44%
Corporate loans <sup>3</sup>	533	347	+54%
Bonds <sup>4</sup>	558	580	-4%
Total assets	1,854	1,483	+25%
Retail funding	609	473	+29%
Corporate funding	644	508	+27%
Wholesale funding <sup>5</sup>	310	244	+27%
Total liabilities	1,647	1,295	+27%
Total equity	207	188	+10%

Source: IFRS financial statements (1H20 – 1H21)

1. Profit for the period / Average total equity (excl. Perpetual subordinated bonds)

2. Retail loans less allowance for loan impairment

3. Corporate loans less allowance for loan impairment

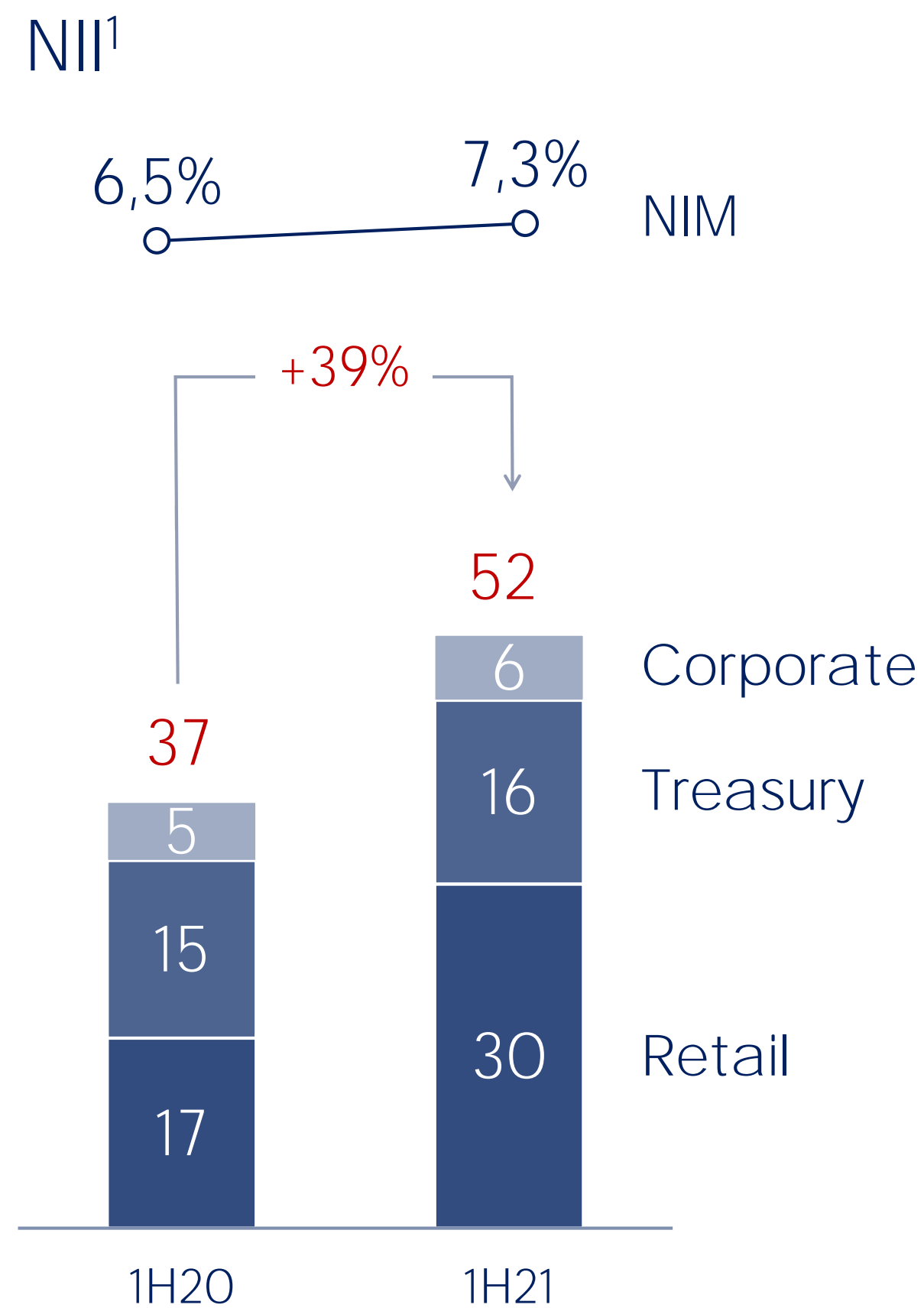
4. Financial instruments at FVPL excluding derivative financial instruments, corporate shares and

shares of companies with state participation; Financial instruments at FVOCI; Corporate bonds, bonds of companies with state participation, Russian subfederal and municipal bonds, and Russian federal eurobonds measured at amortized cost less allowance for impairment and bonds of Russian banks measured at amortized cost less allowance for impairment

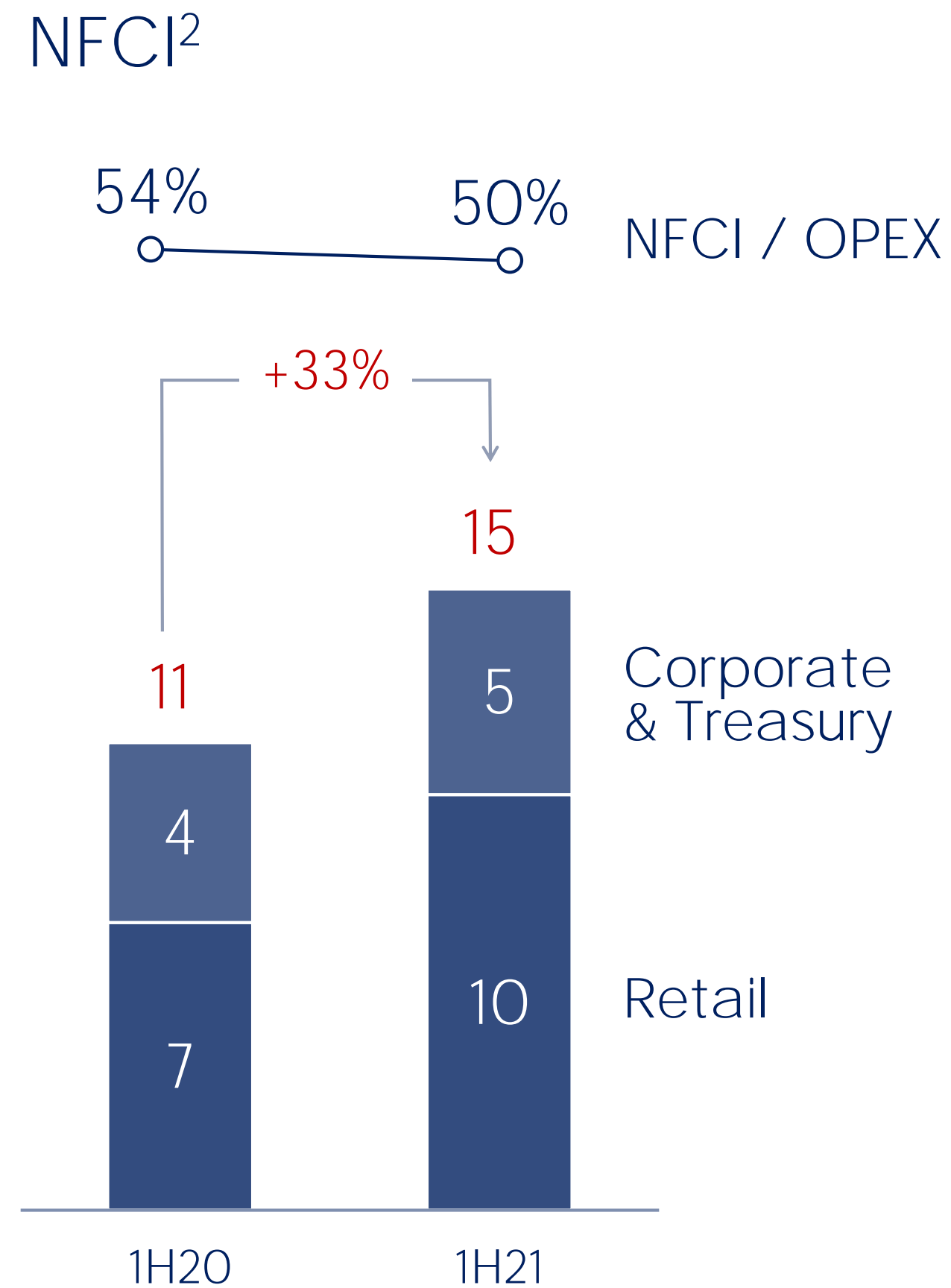
5. Due to banks, Debt securities issued, Subordinated debt, Other borrowed funds

# OPERATING INCOME

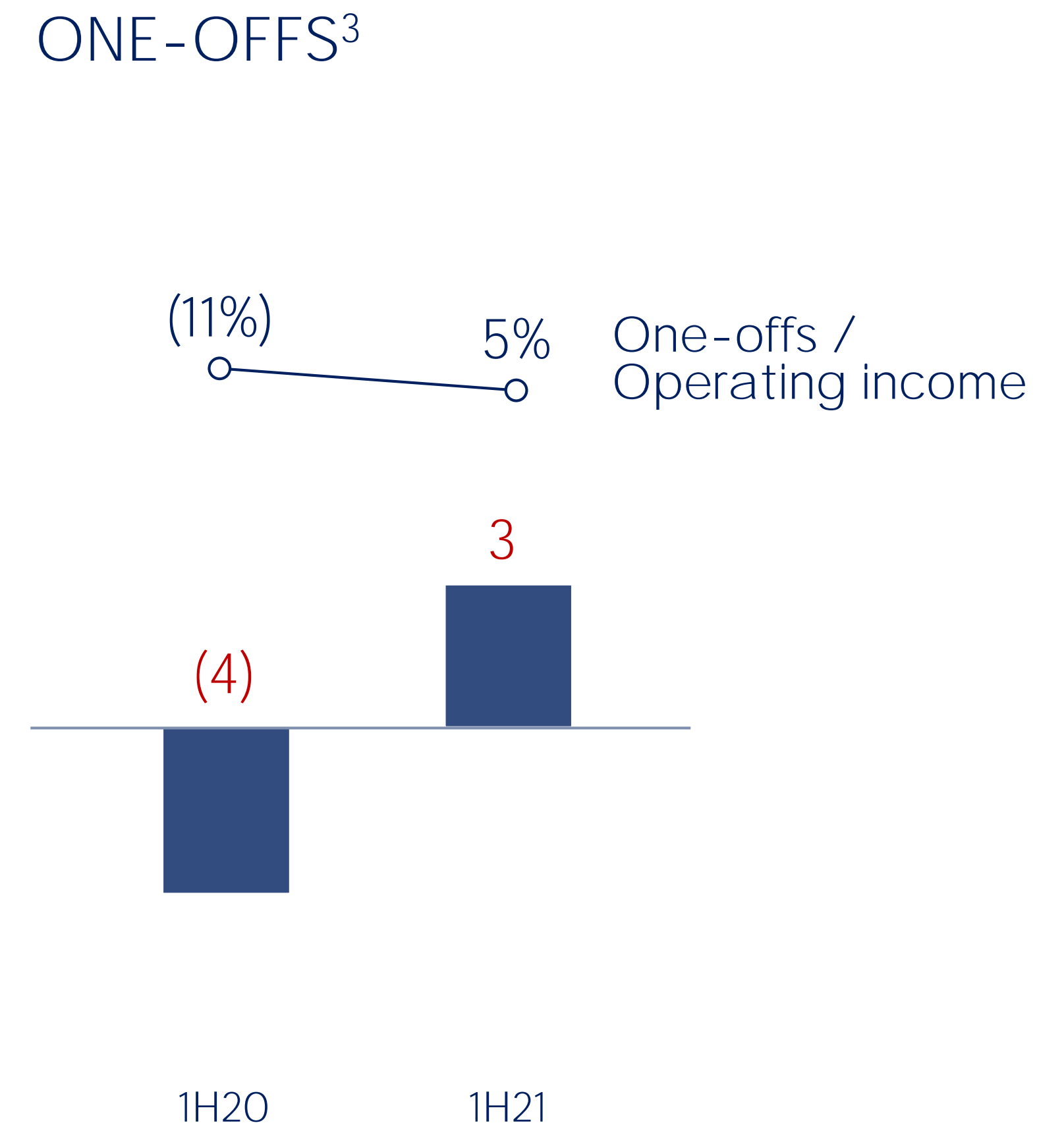
₹BN



Organic & inorganic (Orient Express) growth of loan book



Growth of non-banking business: insurance, procurement



Bond portfolio revaluation of ₹ (6)BN, FX of ₹ 5BN, goodwill of ₹ 3.3BN in 1H21

Bond portfolio revaluation of ₹ (8)BN, FX of ₹ 5BN in 1H20

Source: IFRS financial statements (1H20 – 1H21)

1. Sum of Interest income, Interest expense and Obligatory deposit insurance

2. Sum of fee and commission income and fee and commission expense

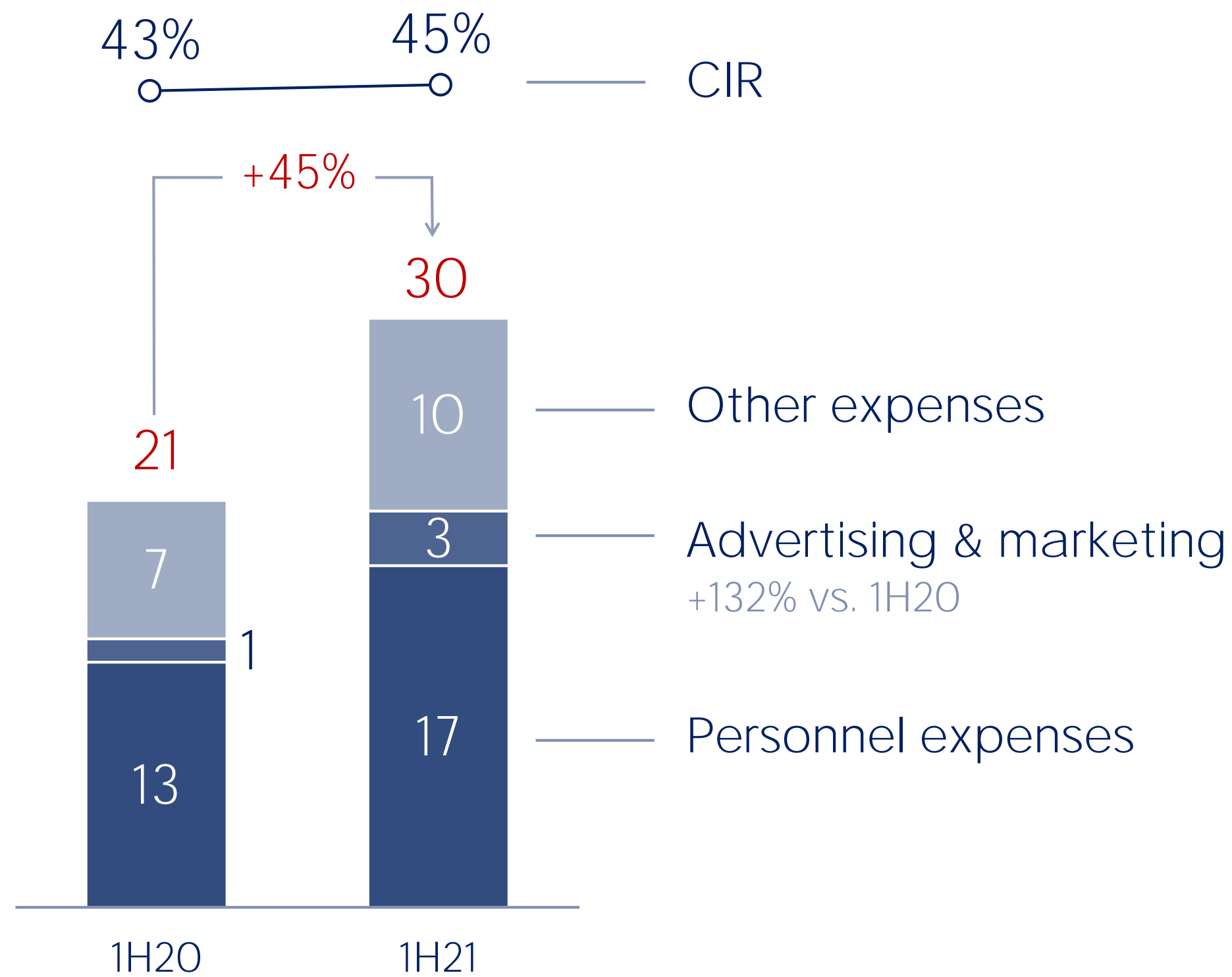
3. Sum of bond portfolio revaluation, FX revaluation, Goodwill and other non-recurring events



# OPERATING EXPENSES

₴BN

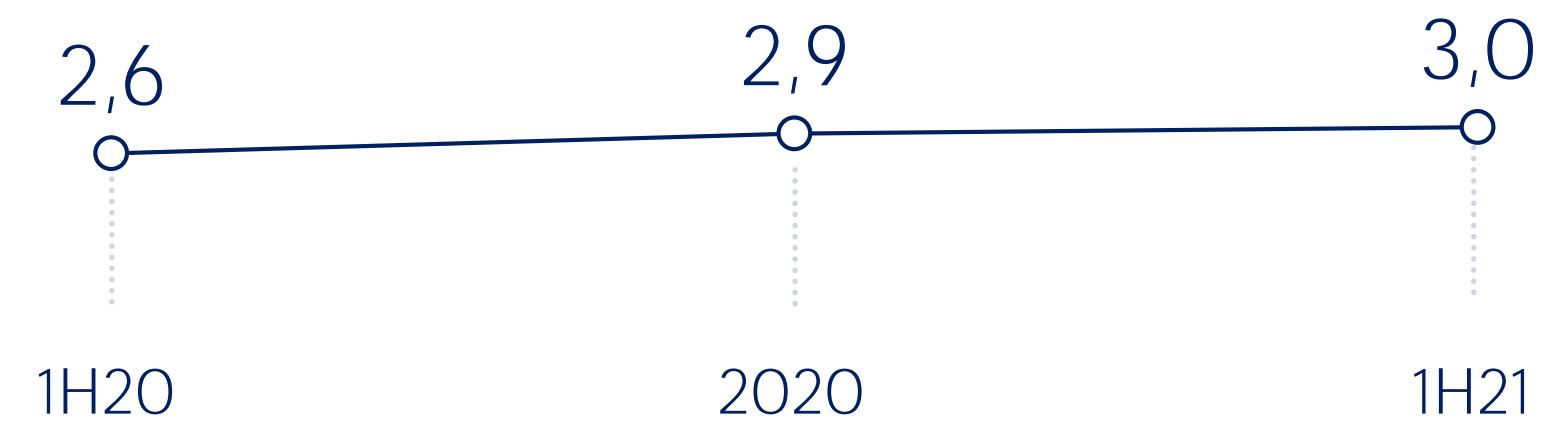
## OPEX



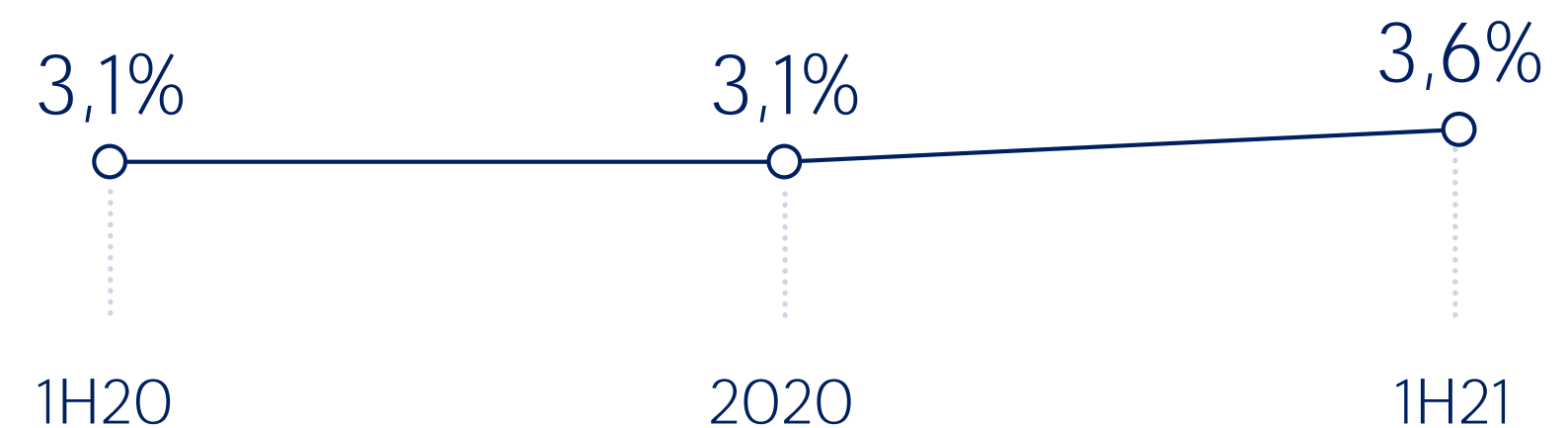
OPEX growth due to Halva rebranding and Orient Express integration costs

## KEY METRICS

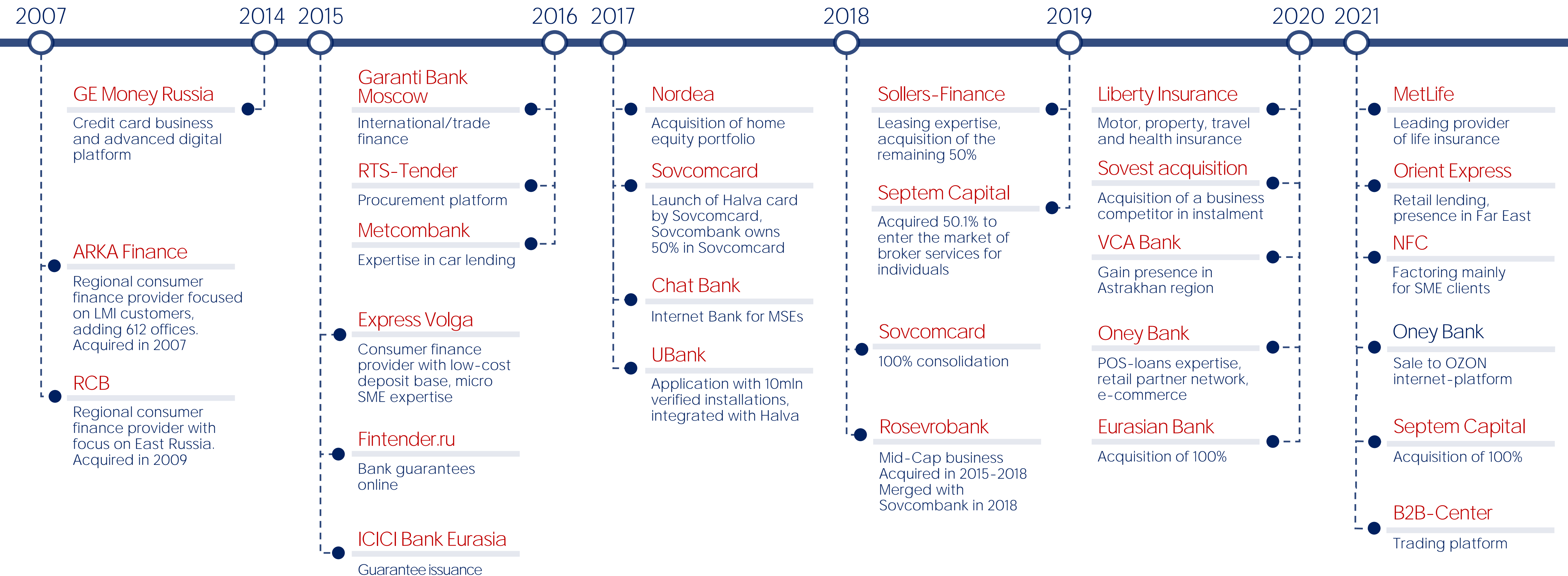
OPEX per employee, ₴ mln



OPEX / Assets



# M&A DEALS





# GLOSSARY

Metric	Abbreviation	Formula / Description
Cost of funding	COF	Interest expense / average IBL
Cost of risk	COR	Provisions charged for loan impairment / average gross total loans to customers and bonds measured at amortized cost
Cost to income	CIR	OPEX / (NII + NFCI)
Interest bearing liabilities	IBL	Due to CBR + sale and repurchase agreements and deposits with banks + due to customers + debt securities issued + subordinated debt + other borrowed funds
Interest earning assets	IEA	Retail loans + corporate loans and bonds measured at amortized cost + placements with banks and bonds measured at amortized cost + financial instruments at FVPL+ financial instruments at FVOCI
Net interest income	NII	Sum of Interest income, Interest expense and Obligatory deposit insurance
Net interest margin	NIM	NII / average IEA (opening, middle and closing)
Net fee & commission income	NFCI	Sum of fee and commission income and fee and commission expense
Non-performing loans	NPLs	Loans and bonds measured at amortized cost with overdue payments of principal amount and/or interest by more than 90 days
Non-performing loans ratio	NPL ratio	Total NPLs / total loans to customers and bonds measured at amortized cost
Non-performing loans coverage ratio	NPL coverage ratio	Allowance for loan impairment / total NPLs
Operating margin	Operating margin	(NII + NFCI) / average total assets
Operating expense	OPEX	Personnel expenses + Other general and administrative expenses
OPEX coverage	OPEX coverage	(Retail segment PBT - Retail segment OPEX) / Total OPEX
Return on average assets	ROA	Profit for the period / average total assets
Return on average equity	ROE	Profit for the period / average balance of total equity
Stage 2 ratio	Stage 2	Total Stage 2 loans / total loans to customers and bonds measured at amortized cost
Stage 3 & POCI ratio	Stage 3 & POCI	Total Stage 3 and POCI loans / total loans to customers and bonds measured at amortized cost
Stage 3 & POCI coverage ratio	Stage 3 & POCI coverage	Allowance for loan impairment / total Stage 3 and POCI loans
Sustainable profit	Sustainable profit	Profit for the period adjusted for one-offs (bond portfolio revaluation, FX revaluation, Goodwill and other non-recurring events)
Sustainable ROA	Sustainable ROA	Sustainable profit / average balance of total assets
Sustainable ROE	Sustainable ROE	Sustainable profit / average balance of total equity
Tier 1 ratio	Tier 1 CAR	Tier 1 capital / risk weighted assets (Basel III)
Total capital adequacy ratio	CAR	Total capital / risk weighted assets (Basel III)
Yield		Interest income for the period / average IEA

