



TINKOFF

Strategy Day
2023





Oleg Tinkov
Founder



Oliver Hughes
Chief Executive Officer



Stanislav Bliznyuk
Chairman of the Management Board, Head of Business Development



Danil Anisimov
Vice President, Product Development and Portfolio Management



Konstantin Markelov
Vice President, Business Technologies



Evgeny Ivashkevich
Chief Risk Officer



Vyacheslav Tsyganov
Chief Information Officer



Neri Tollardo
Vice President, Director of Strategy



Ilya Pisemsky
Chief Financial Officer

We have achieved a lot in the last 4 years...

2017-20 highlights

Business Development Achievements

- Successful scaling up of 8 new business lines: Tinkoff SME, Tinkoff Investments, Tinkoff Insurance, Tinkoff Acquiring, Home Equity Loans, Car Loans, Cash Loans, POS Loans
- Launch of the first financial Super App in Europe
- Launch of lifestyle services in our Super App, reaching over 5.0m MAU
- #1 largest retail broker in Russia by number of active customers
- #2 largest internet acquirer in Russia
- 5bn debit card and credit card transactions processed
- 106 million credit applications processed
- 142 million inbound calls, 59 million inbound chat conversations
- 25 million courier deliveries, of which 8.5 million in 2020 alone
- 3rd best employer in Russia, with several accolades as one of the best IT employers

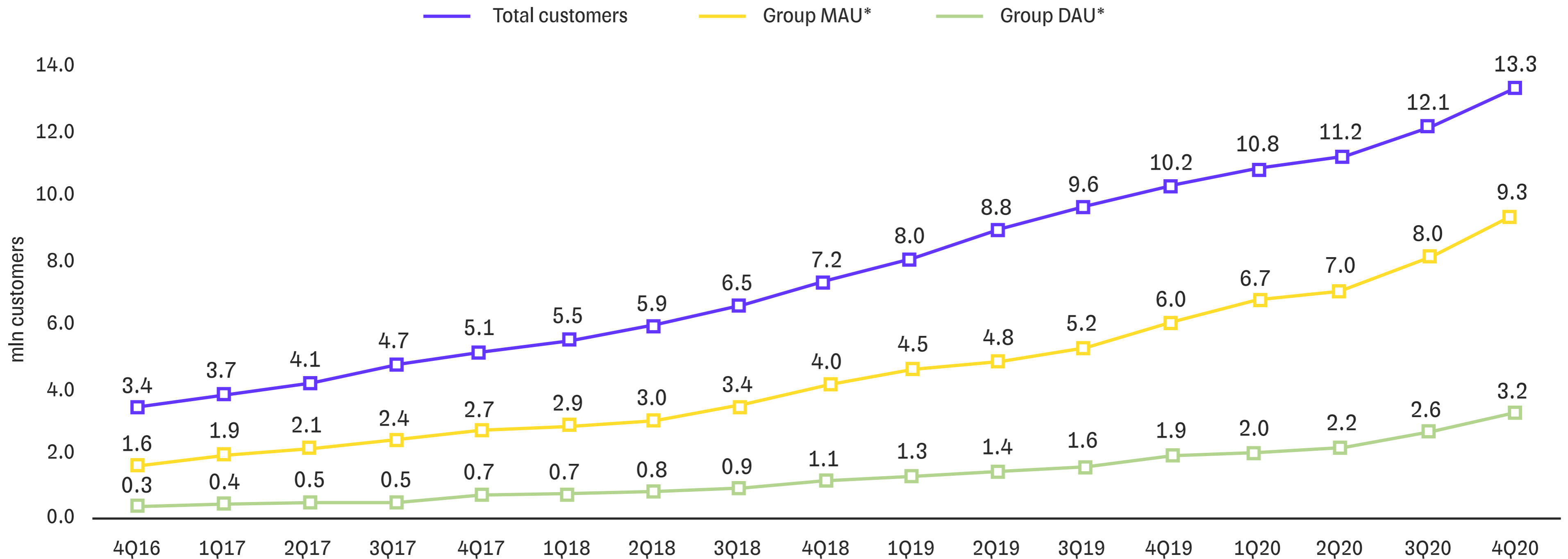
Customer Satisfaction and Brand Achievements

- World's best digital bank for 2020 by Global Finance
- Became Russia's third largest retail bank by number of customers
- Highest NPS in the Russian banking sector, 3x higher than the second highest
- Consistently top 3 retail bank voted by customers on banki.ru
- Top 50 most valuable Russian brands (worth \$451m according to Brand Finance Banking 500)

Financial Achievements

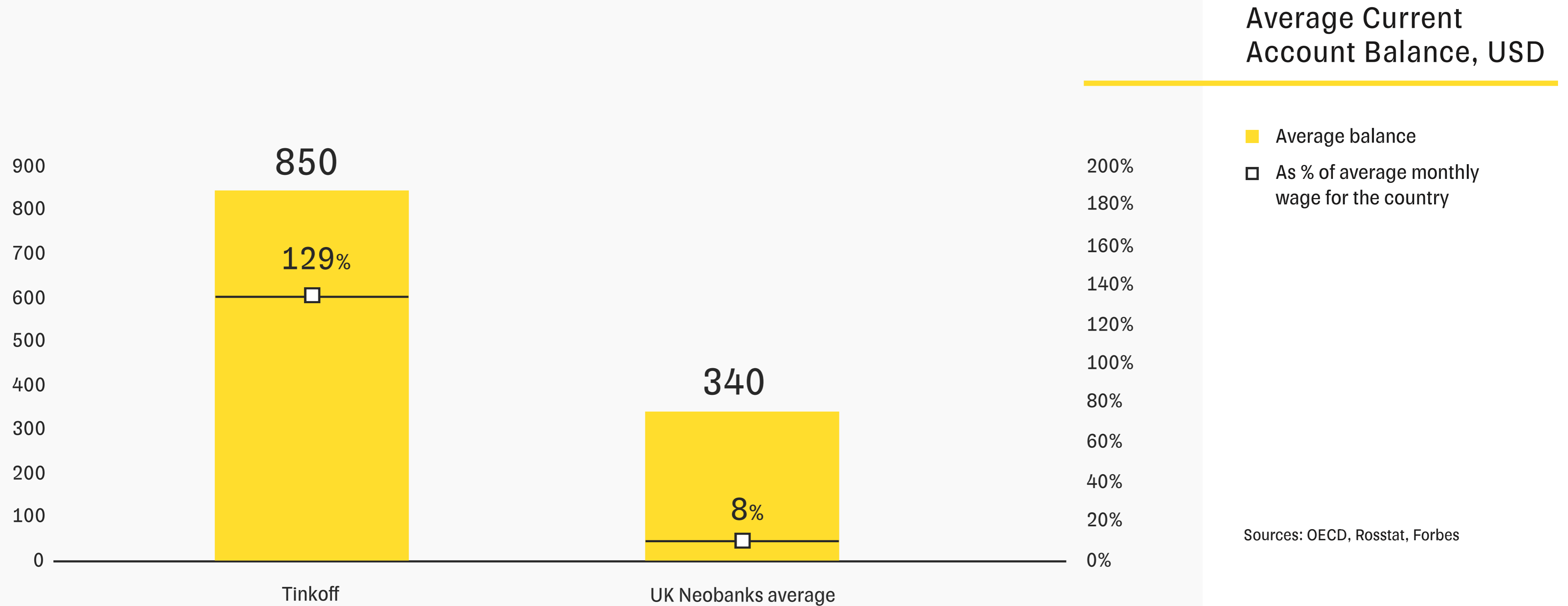
- 56% average ROE
- 38% EPS CAGR, with no downturn years
- More than RUB 37bn declared in dividends
- Share of non-credit cards in loan book from 3% to 43%
- Share of non-credit net income from <0% to 37%

...But in a nutshell: our customer growth is proof of their delight with our products...



*Group MAU and Group DAU refers to unique monthly and daily active users of all Tinkoff platforms (including Tinkoff Banking App, Tinkoff Investments, Tinkoff Internet Banking, SME, Tinkoff Junior, and other smaller platforms)

...Leading them to choose Tinkoff as their primary financial relationship





Yet we are only just getting started



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Our 2023 strategic objective

Grow our customer base **profitably** by building the most



Comprehensive



Engaging



Innovative

Financial and lifestyle ecosystem in the world

Grow

We have ambitious targets to significantly increase the size of our business



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Russia has been offering plenty of growth opportunities



Number of payment card transactions +2.8x from 18bn in 2016 to 50.6bn in 2020



Unique retail brokerage clients on Moscow Exchange +8x from 1.1m in 2016 to 8.8m in 2020



Number of customers using Faster Payment System +6x in 2020 from 2m to 13m



Share of cashless payments in retail* up from 32% in 2016 to 70% in 2020



Number of employed borrowers up from 32.9m in Jan 2015 to 42m in Mar 2020



Russian e-commerce market size +3.5x in 2016-20



Payments using contactless technologies +10x from 1.8bn in 2017 to 18.4bn in 2019



Number of contactless cards per capita up from 0.7 in 2018 to 1.2 in 2019



Retail loans < 3 years +43% between 2016 and 2020



Russian internet penetration up from 70% in 2015 to 81% in 2020

*Share in total turnover of retail trade, food service and paid services provided to households
Source: CBR, MOEX, AKIT, Rosstat, GFK, Datareportal

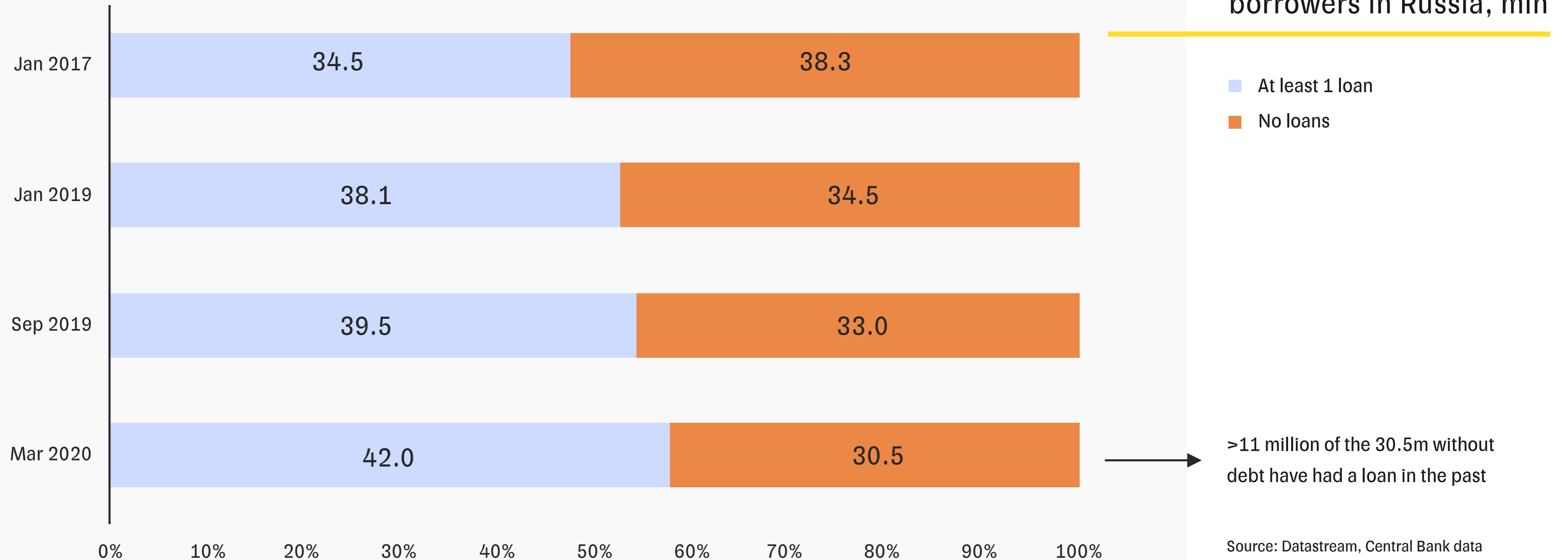
**For Tinkoff, we see two
runways for growth**

Market Share Gains

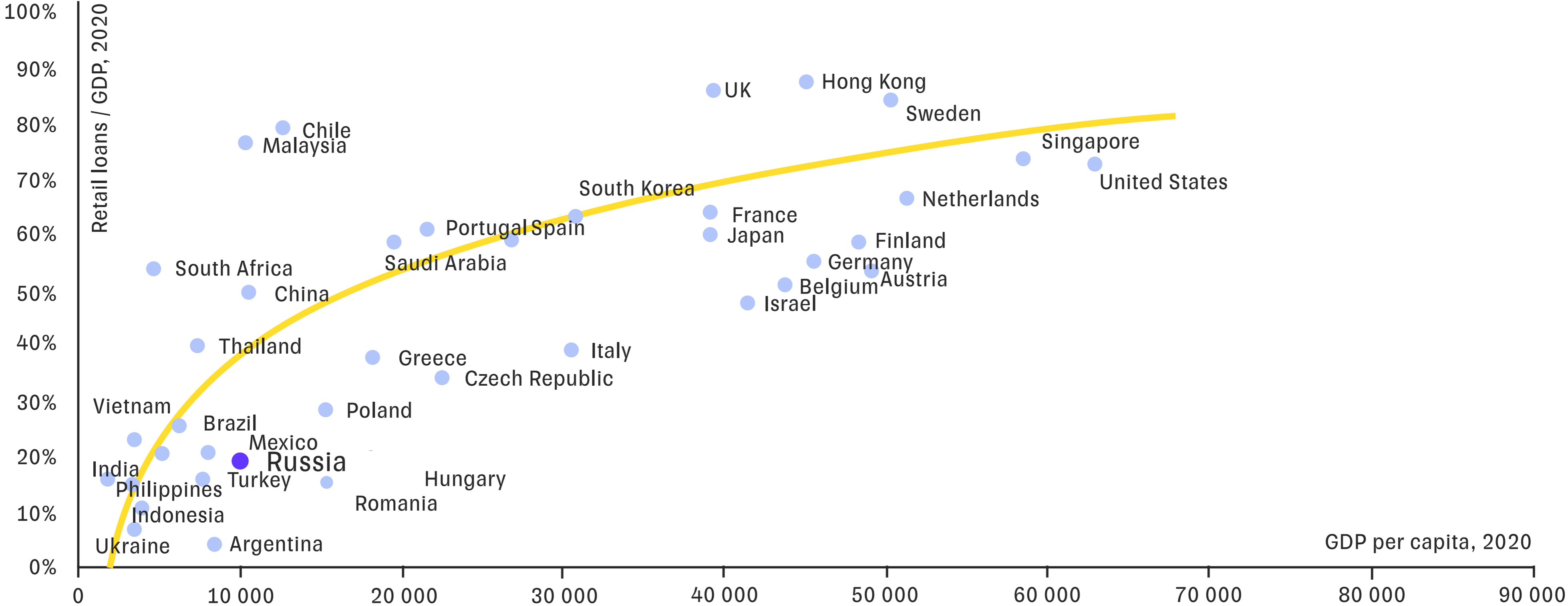
Market Deepening

Market deepening: credit market still underpenetrated

Distribution of employed borrowers in Russia, mln



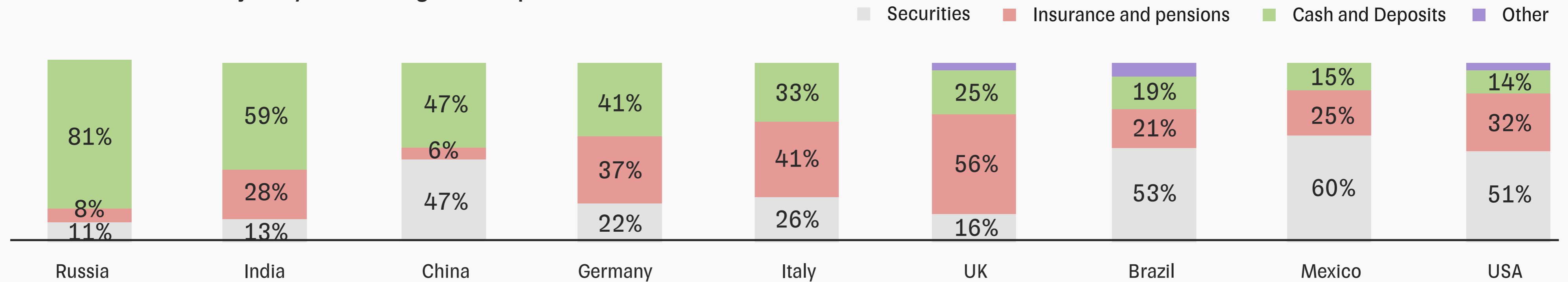
Market deepening: credit market still underpenetrated



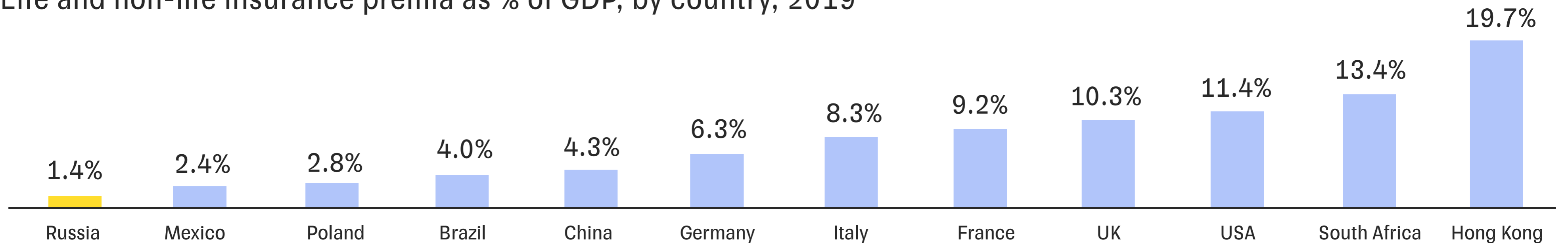
Source: Goldman Sachs Research

Market deepening: wealth and insurance markets are still underpenetrated

Russians hold majority of savings in deposits and cash*



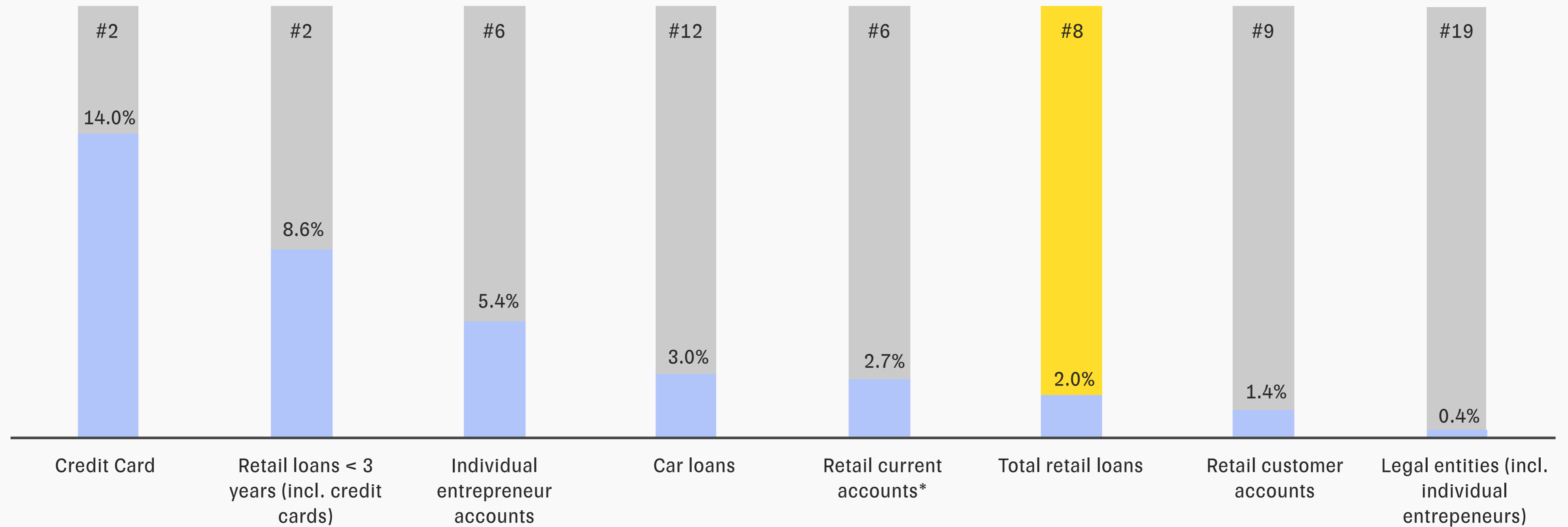
Life and non-life insurance premia as % of GDP, by country, 2019



Source: MOEX, Datastream, Central Bank data, Statista. *As of the end of 2018, Russia – 2019.

Market share gains: we will continue to scale up

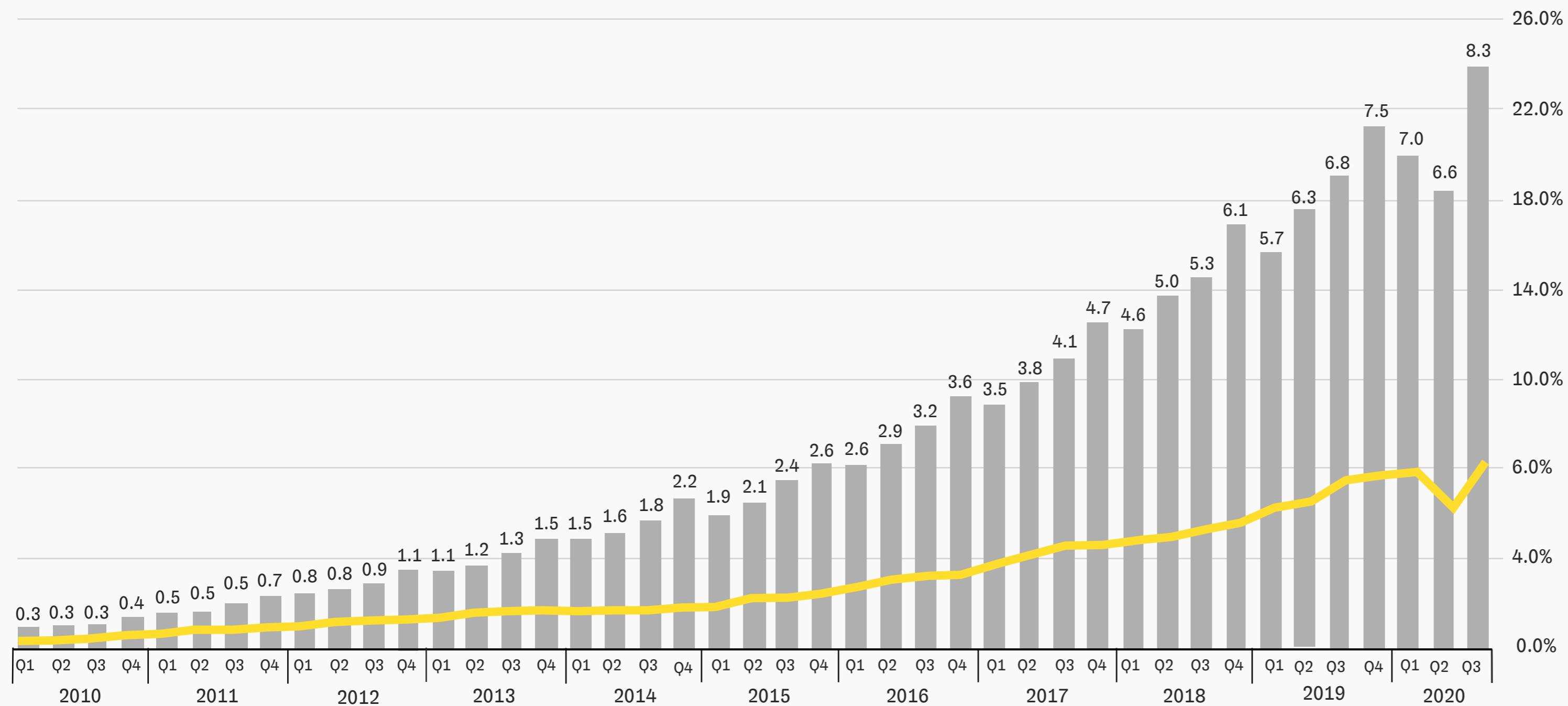
Market shares measured in total RUB balances (as of YE20)



*6th largest player in RUB balances, 3rd largest in number of customers

Market share gains: we can continue to scale up

Purchases using cards



Already showed meaningful growth, but only have 6% market share in volumes of purchases through cards

We know exactly how to grow

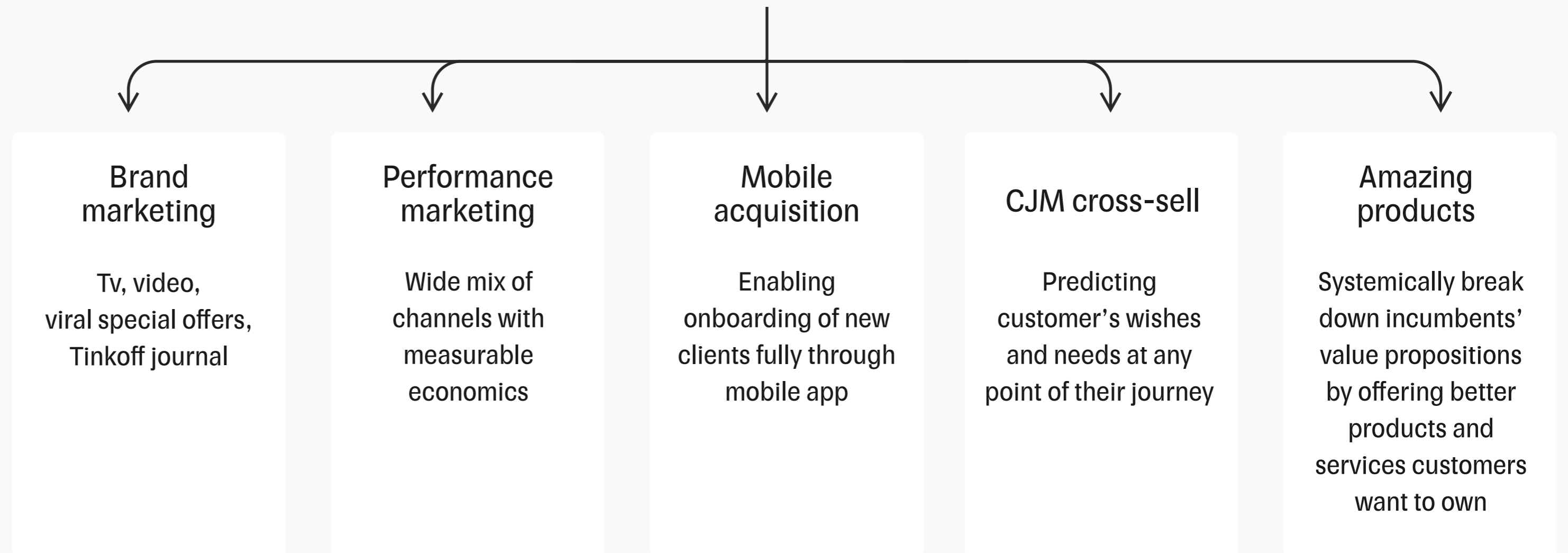
Principles

- Acquisition based on mapping customer journey (CJM)
- Test and learn for new channels
- Aggressive NPV-based scaling of channels
- Endless assessment of channel efficiency through data analytics

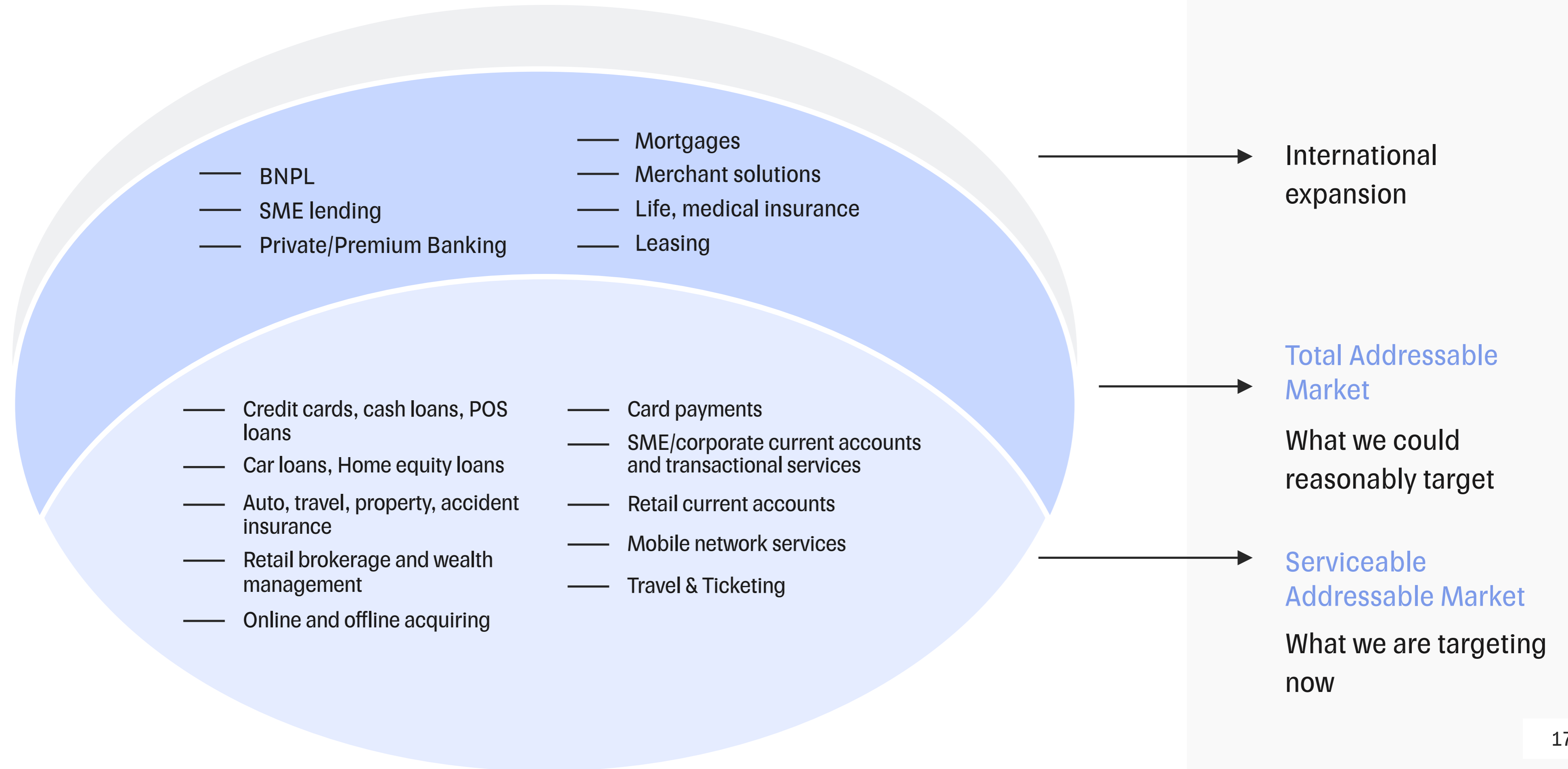
Team

- Own technical infrastructure (end-to-end analytics, automation, personalization, etc) and developers team
- Full control over acquisition funnels through in-house marketing team for each business line
- Flexible team structures to tackle cross-functional acquisition projects

Best-in-class customer acquisition channels

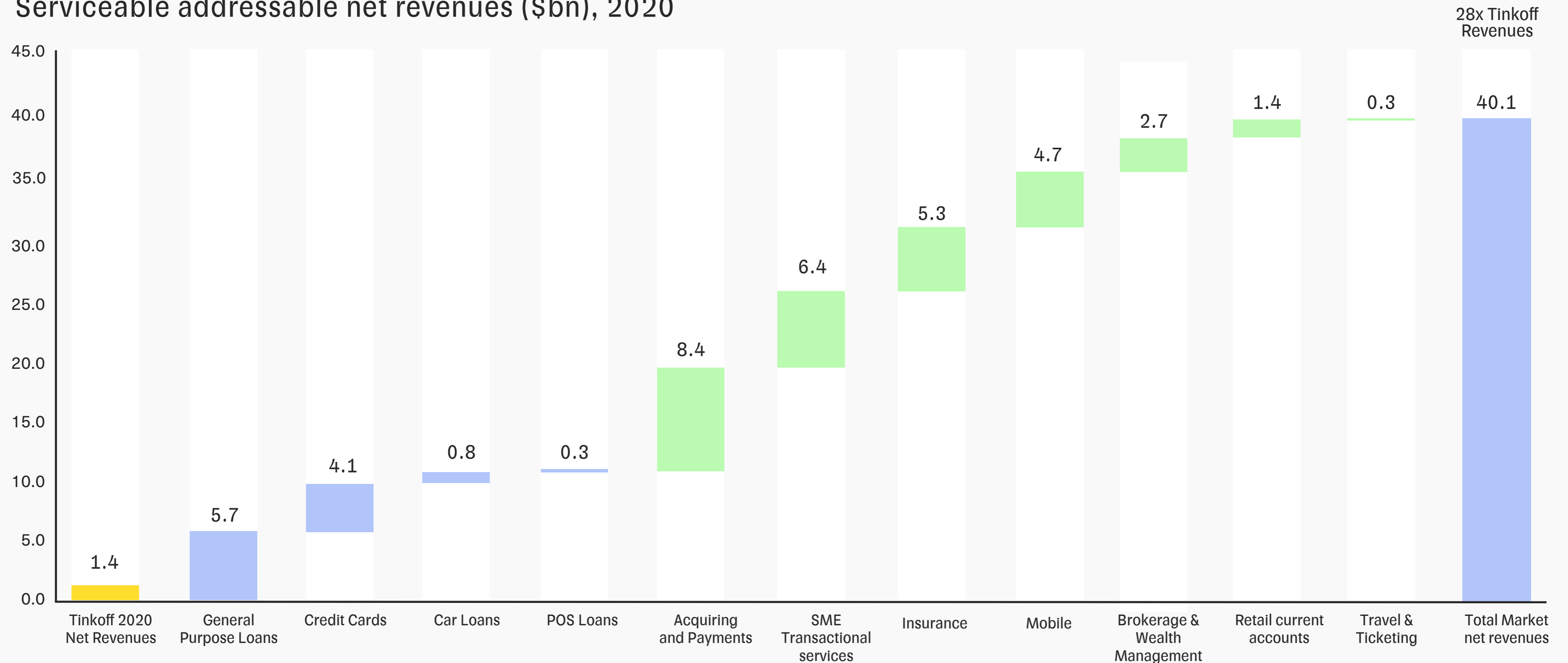


We have a substantial market opportunity



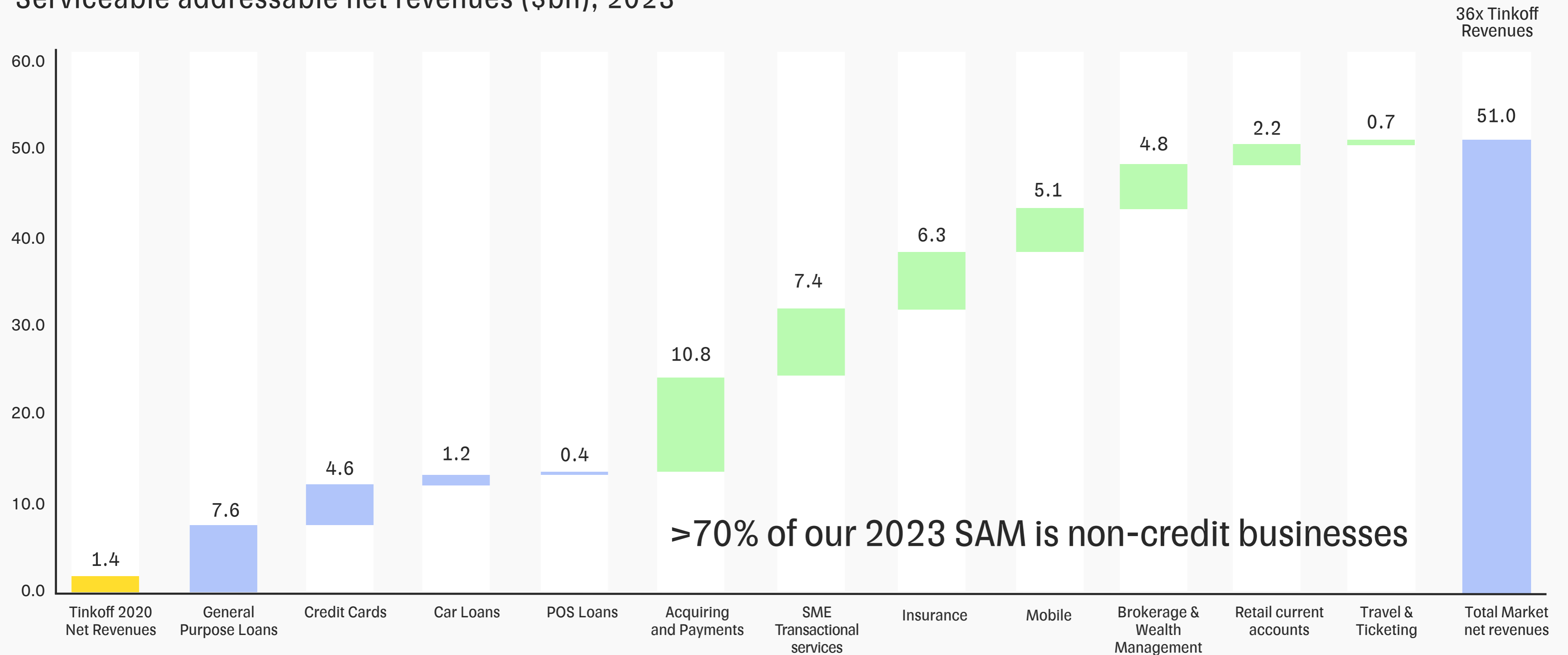
We achieved just 4% of our 2020 net revenues SAM...

Serviceable addressable net revenues (\$bn), 2020



...And just 3% of our >\$50bn 2023 net revenues SAM

Serviceable addressable net revenues (\$bn), 2023



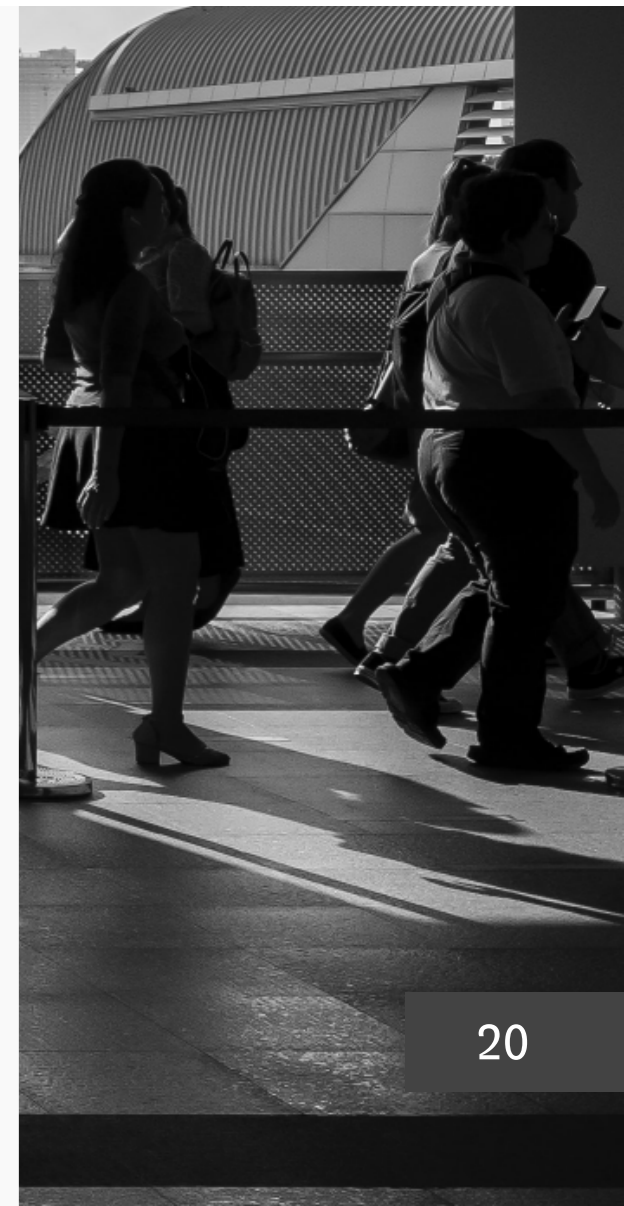
Two aspects to growing our customer base



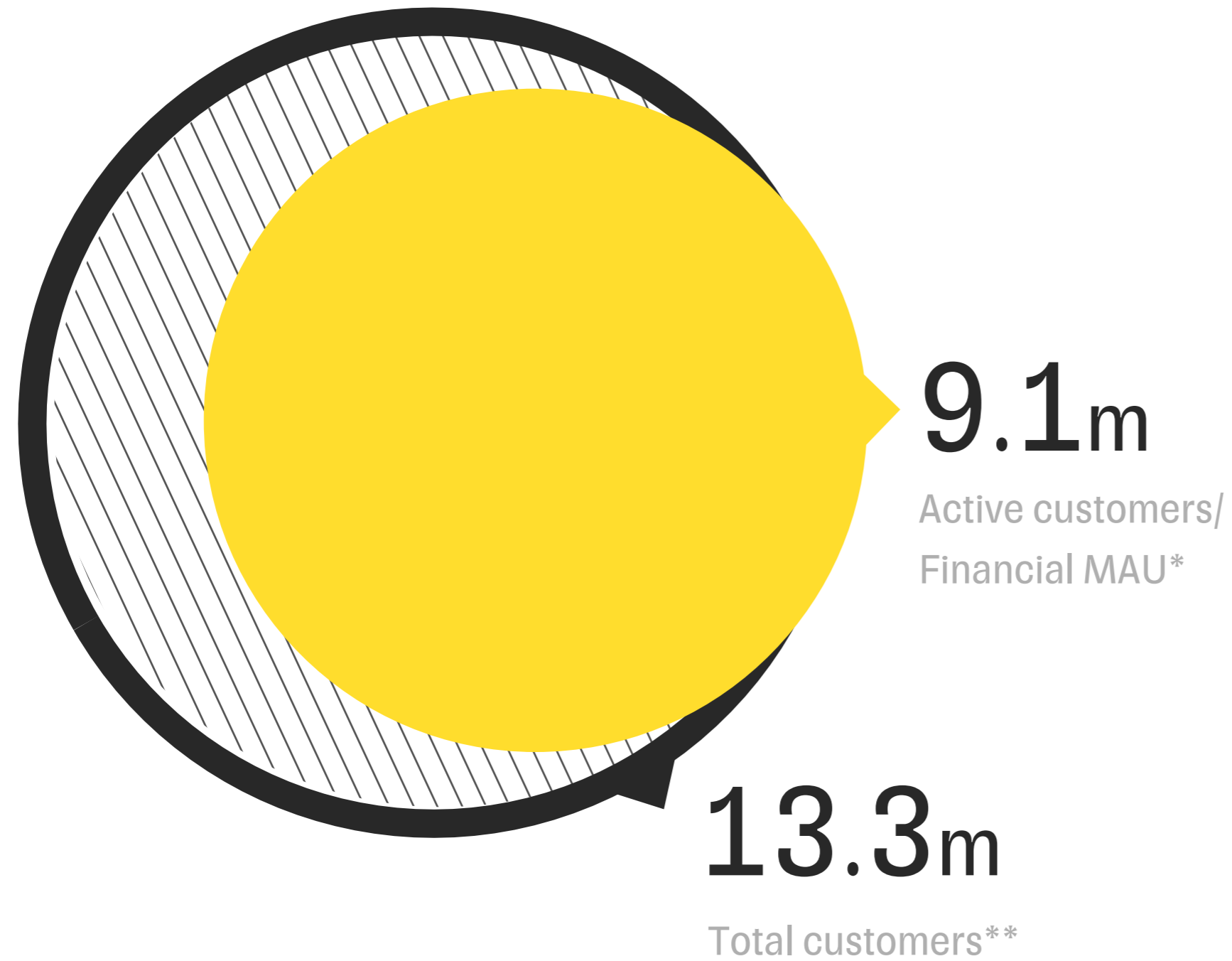
Grow # of Active
Customers



Grow Engagement
with each Customer



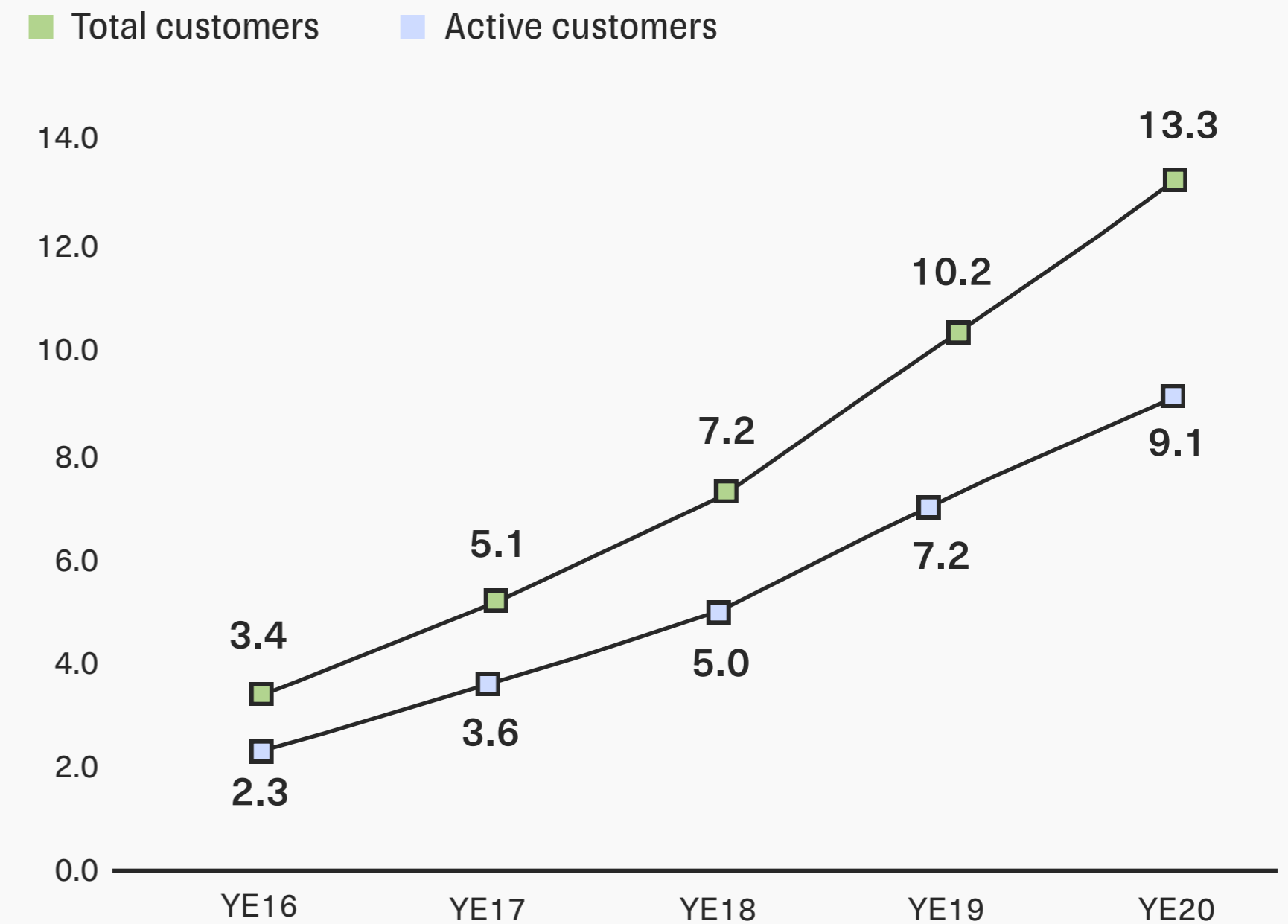
Understanding our customer base at YE20



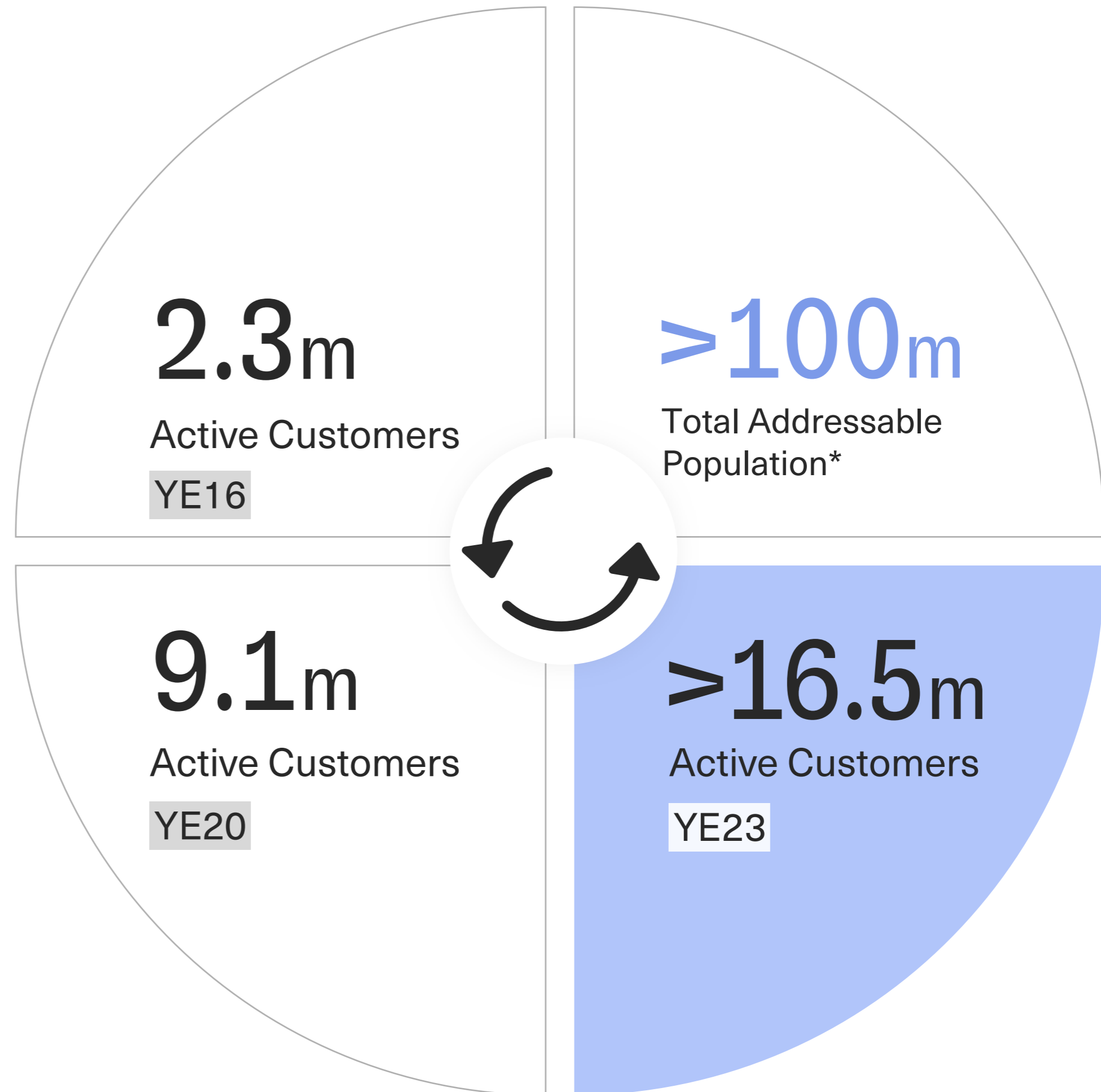
* Revenue generating customers in the last month

** Customers with a utilized product that has not been closed

~70% of our customers are active



We want
to acquire more
customers...



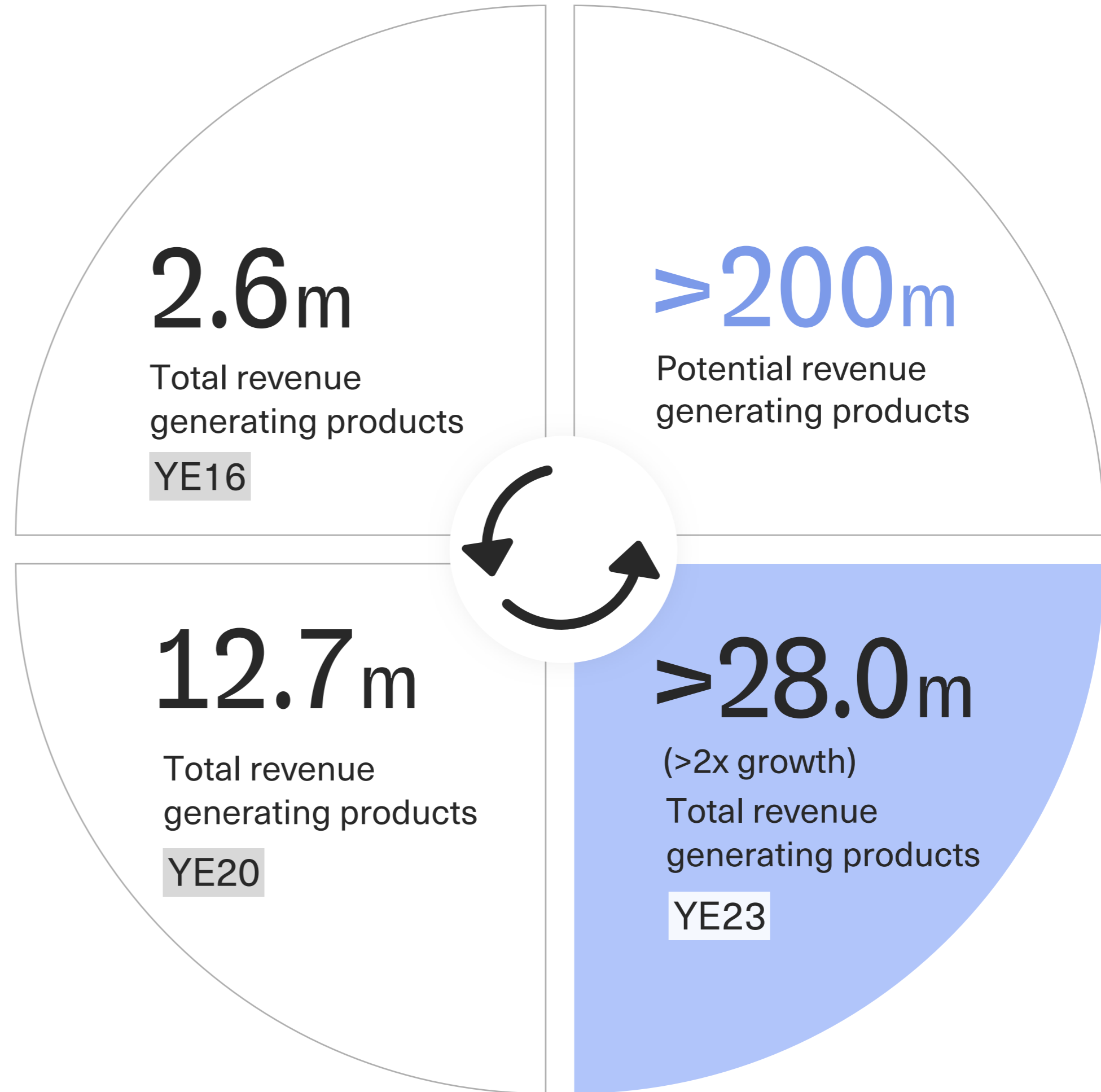
*Economically active population in Russia

...And we plan to engage more with each one of them



*Product = revenue generating product incl: any credit product, debit card, SME, insurance, deposit, investments, sim card

As a result, we aim to more than **double** our business



Comprehensive

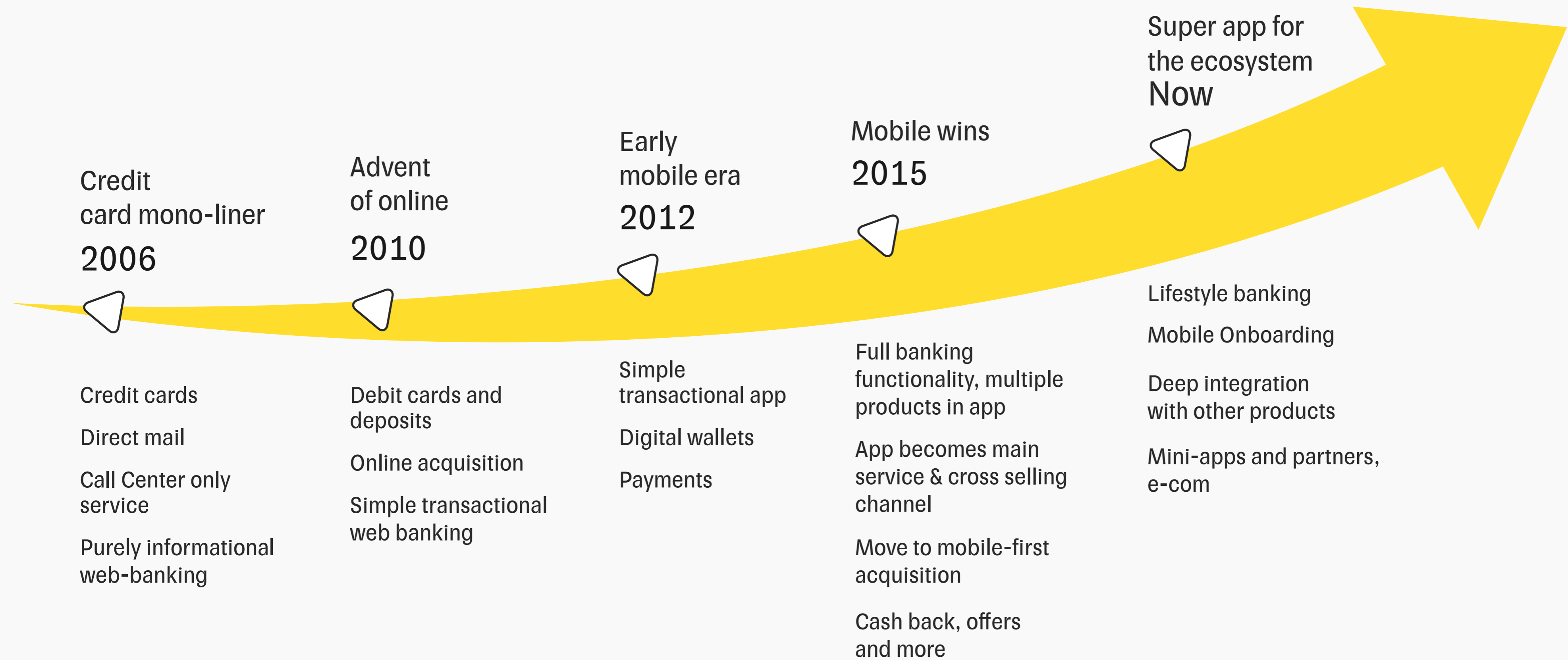
Our ecosystem will cover a comprehensive and relevant set of financial and lifestyle services for our customers



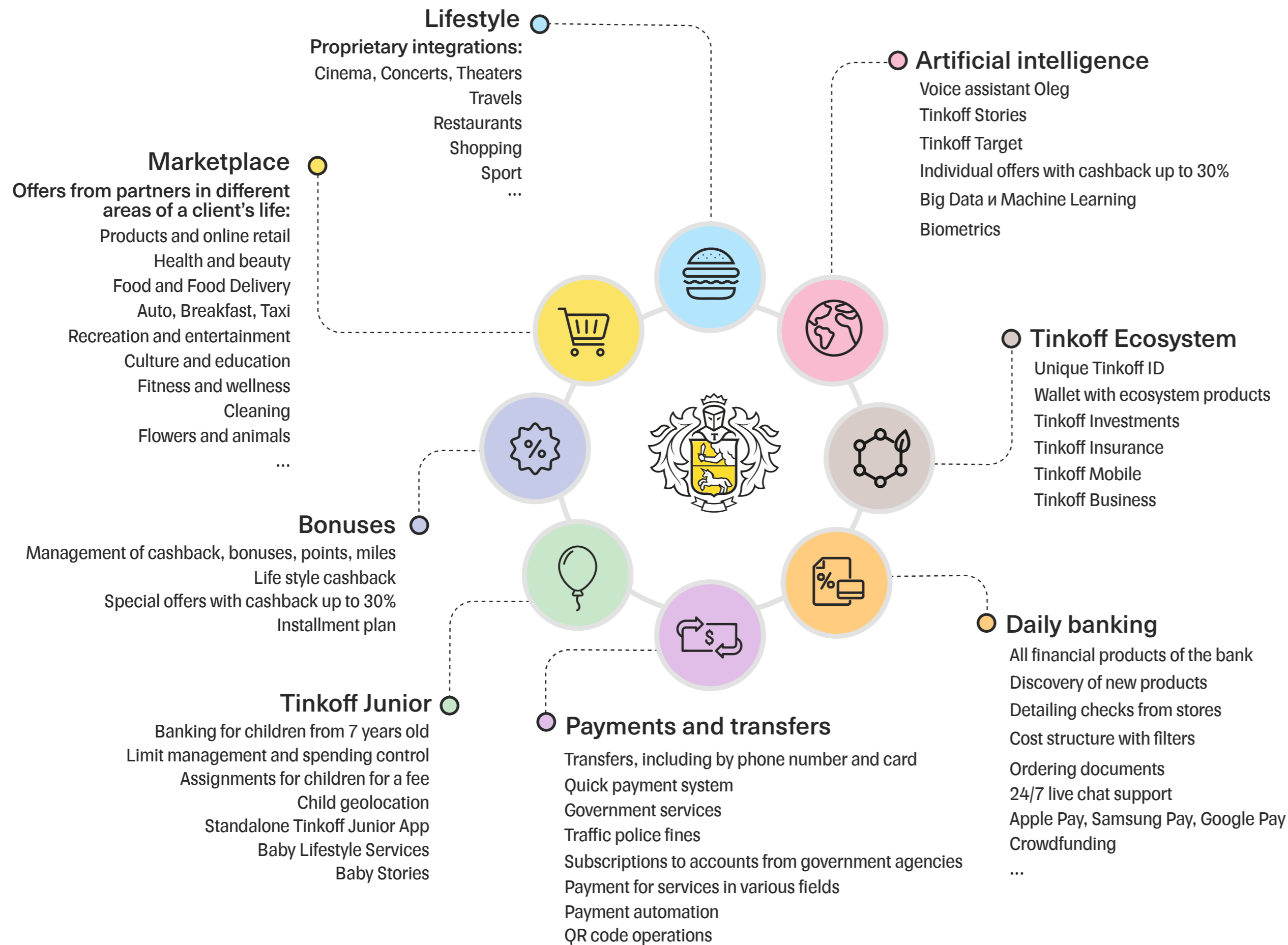
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Tinkoff's platform keeps evolving



Our digital moat – the Tinkoff Super App



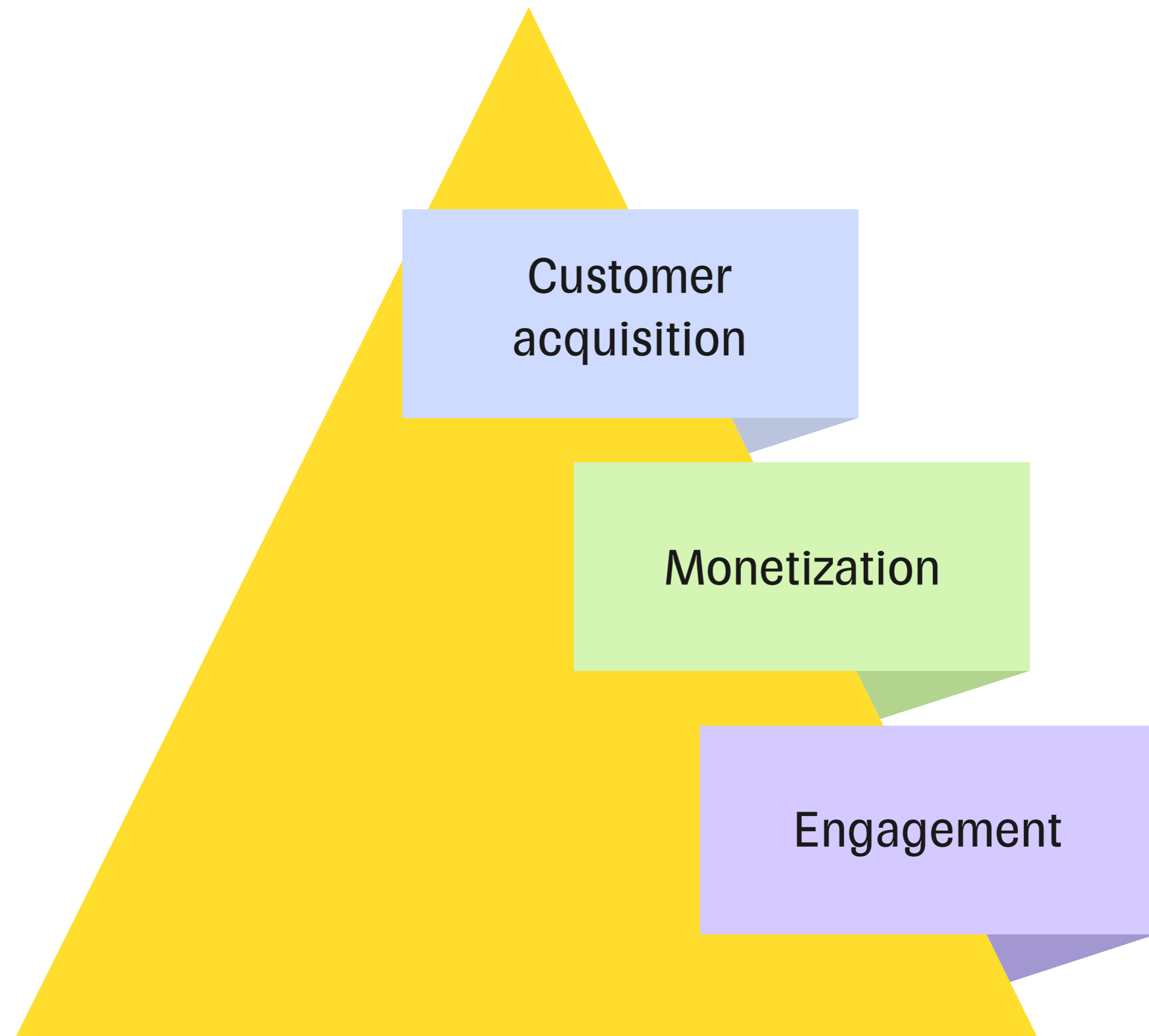
Average Google Play and iOS rating

Tinkoff	4.85
Monzo	4.80
Revolut	4.78
N26	4.70
Chime	4.66
Kaspi	4.64
Robinhood	4.59
Stash	4.41
Toss	4.35
Nubank	4.27

Global Finance 2020:

- World's Best Consumer Digital Bank
- Best Mobile Banking App
- Best Website design

Every product in the Tinkoff ecosystem has to satisfy at least one of three purposes



Transactional products – a snapshot

Product	Tinkoff Black	SME	Tinkoff Investments	Insurance	Acquiring	Mobile (MVNO)
Customer base at YE20	4.9m active customers	303k active customers	1.05m active customers	318k active customers	74k merchants	1.1m active subscribers*
Customer profile at YE20	33 years old, RUB 80k monthly salary	96% small businesses 4% medium businesses	31 years old, RUB 83k monthly salary	40 years old, RUB 76k monthly salary	31k online merchants, 43k offline merchants	38 years old, RUB 65k salary
Market shares at YE20	6% of all card purchases, 2.7% in retail current account balances	5.4% in entrepreneurs accounts, 0.4% of legal entities accounts	>60% of active customers on MOEX	<3% of total insurance premiums	#2 largest player in online acquiring	6.1% of all incoming number ports, largest of all MVNOs
LTV	\$117	\$1,643	\$1,164	\$213	\$10,211	\$14
CAC	\$18	\$157	\$35	\$102	\$602	\$8
LTV/CAC	6.4x	10.5x	32.9x	2.1x	17.0x	1.7x
CAC Payback period (months)	9	3	2	19	2	4
2020 profit before tax contribution	RUB 1.5bn	RUB 5.6bn	RUB 1.4bn	RUB 10.7bn	RUB 2.3bn	RUB -1.0bn

NB: (1) Insurance data refers to car insurance for all fields except Profit before tax, which includes captive insurance. (2) LTV, CAC, and CAC Payback period based on management accounts. (2) LTV, CAC, and CAC Payback period for Acquiring refers only to online acquiring. (3) USD estimates converted from RUB using RUBUSD rate of 75.

*Industry standard definition of subscriber base active over 90 days.

Tinkoff Credit Factory

	Unsecured			Secured	
Product	Credit Cards	Cash loans	POS Loans	Car Loans	Home equity Loans
Active customer base at YE20	3.6m active customers	305k active customers	1.3m active customers	70k active customers	43k active customers
Customer profile at YE20	37 years old, RUB 55k salary	36 years old, RUB 93k salary	37 years old, RUB 47k salary	40 years old, 76k salary	39 years old, RUB 103k salary
LTV	\$866	\$373	\$50	\$1,801	\$5,175
CAC	\$70	\$38	\$15	\$258	\$351
LTV/CAC	12.4x	9.8x	3.3x	7.0x	14.7x
CAC payback period (months)	3	2	3	5	3
Market share	2.0% of all retail loans in Russia				
2020 profit before tax contribution	RUB 35.7bn				

Our lending philosophy

- NPV-based decision making, with 30% hurdle rate
- More than 30 highly predictive variables used to score customers
- Strict credit limit increases policy
- Don't compete on price, price for risk
- Small tickets, short duration lending
- Proactive collection and pre-collection
- Asset-liability duration matching

Secured loans have comparable ROE to Unsecured loans given lower acquisition, servicing and risk costs, as well as lower capital requirements



Diversification benefit and not dilutive to returns

Lifestyle Banking - overview

Total
MAU 5.3M
DAU 0.5M

Core Lifestyle
Apps

Partner Apps

Engagement
content



Cinema
>360k MAU



Theatre
>130k MAU



Concerts
>135k MAU



Restaurant
>250k MAU



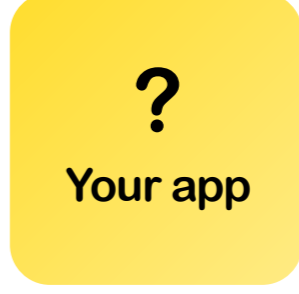
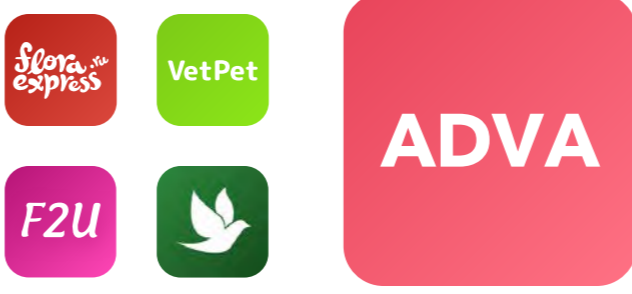
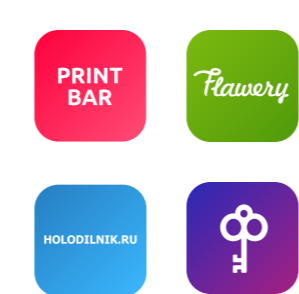
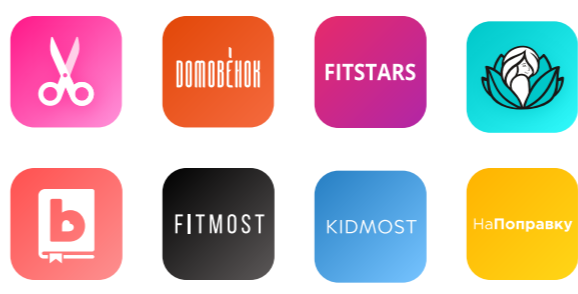
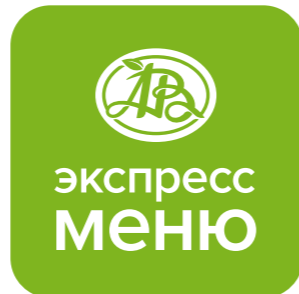
Travel
Monthly Sales
of >100k tickets



Shopping
>145k MAU



Sport



- E-commerce
- Fuel
- Food delivery
- Groceries Delivery
- Taxi
- Professional services
- Health
- Beauty
- Books
- Flowers
- Car Products
- And more...

Stories

200k DAU, 2.8m MAU

- AI Generated and tailored, give direct access to all Tinkoff products and services
- On average 35% of all app users read at least one story per month

Tinkoff Journal

450k DAU, 9.3m MAU

- Key source of engagement and educational content in our super app
- 14m visits per month, 1.6m email subscribers, 1.2m social media followers, >850 author and expert contributors

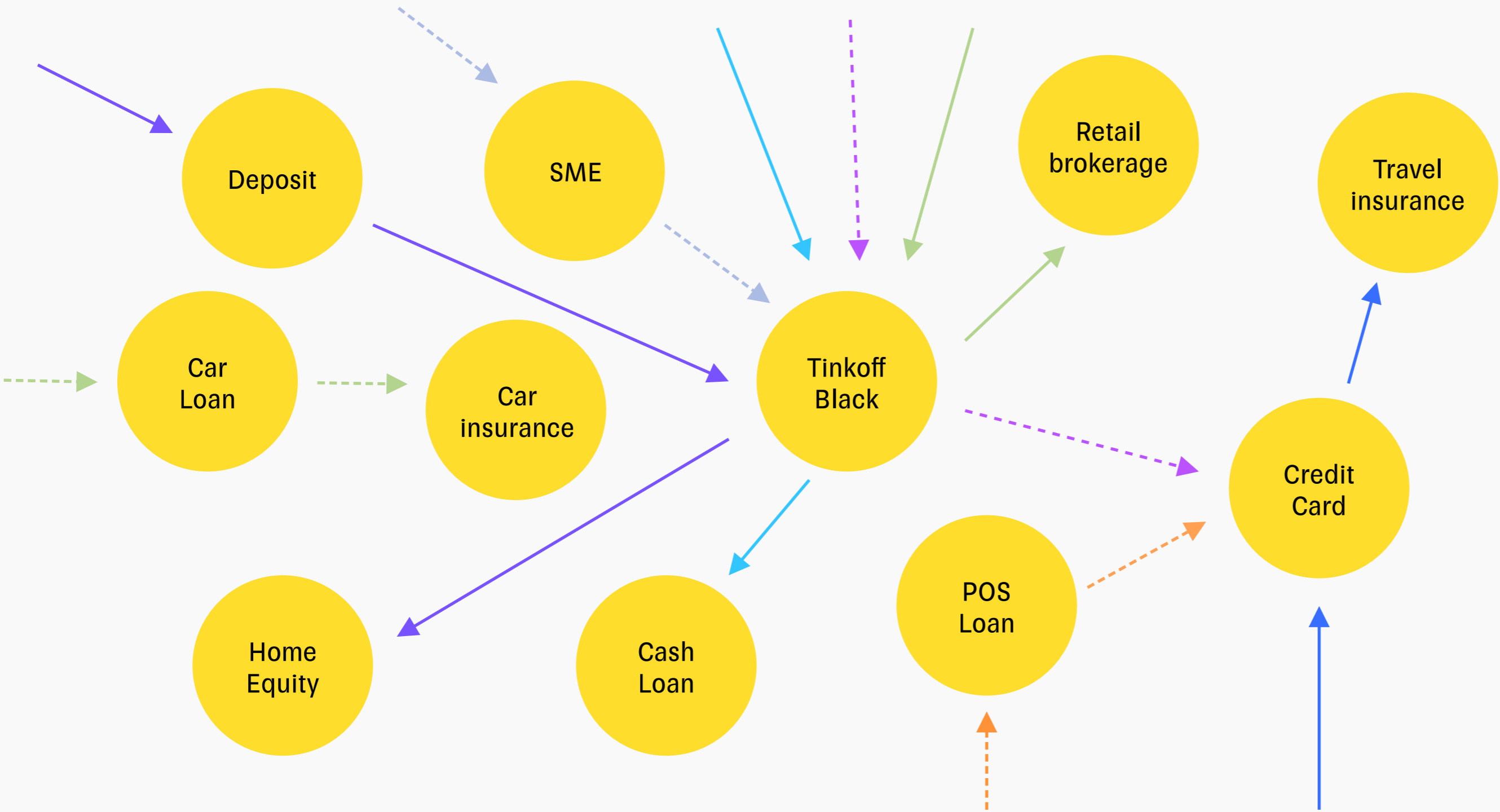
Engaging

Our ecosystem will encourage customers to be more engaged with Tinkoff, lowering CAC, improving retention and loyalty, and increasing LTV



The utopian theory: the ultimate goal of engagement

Tinkoff Ecosystem



CAC ↓

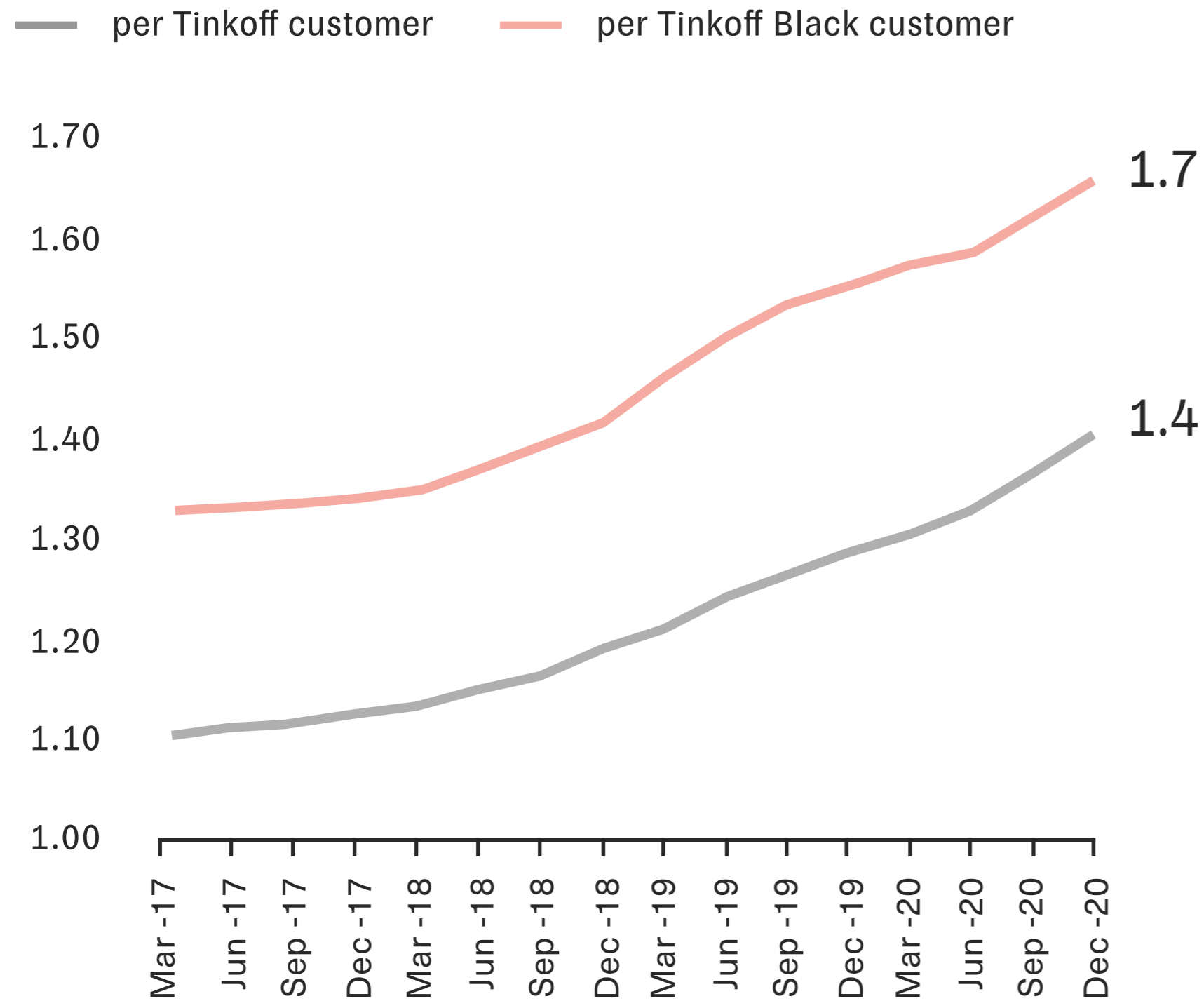
- More value inside than outside the ecosystem: lower CAC at entry
- Incur CAC only at entry to ecosystem
- Virality

LTV ↑

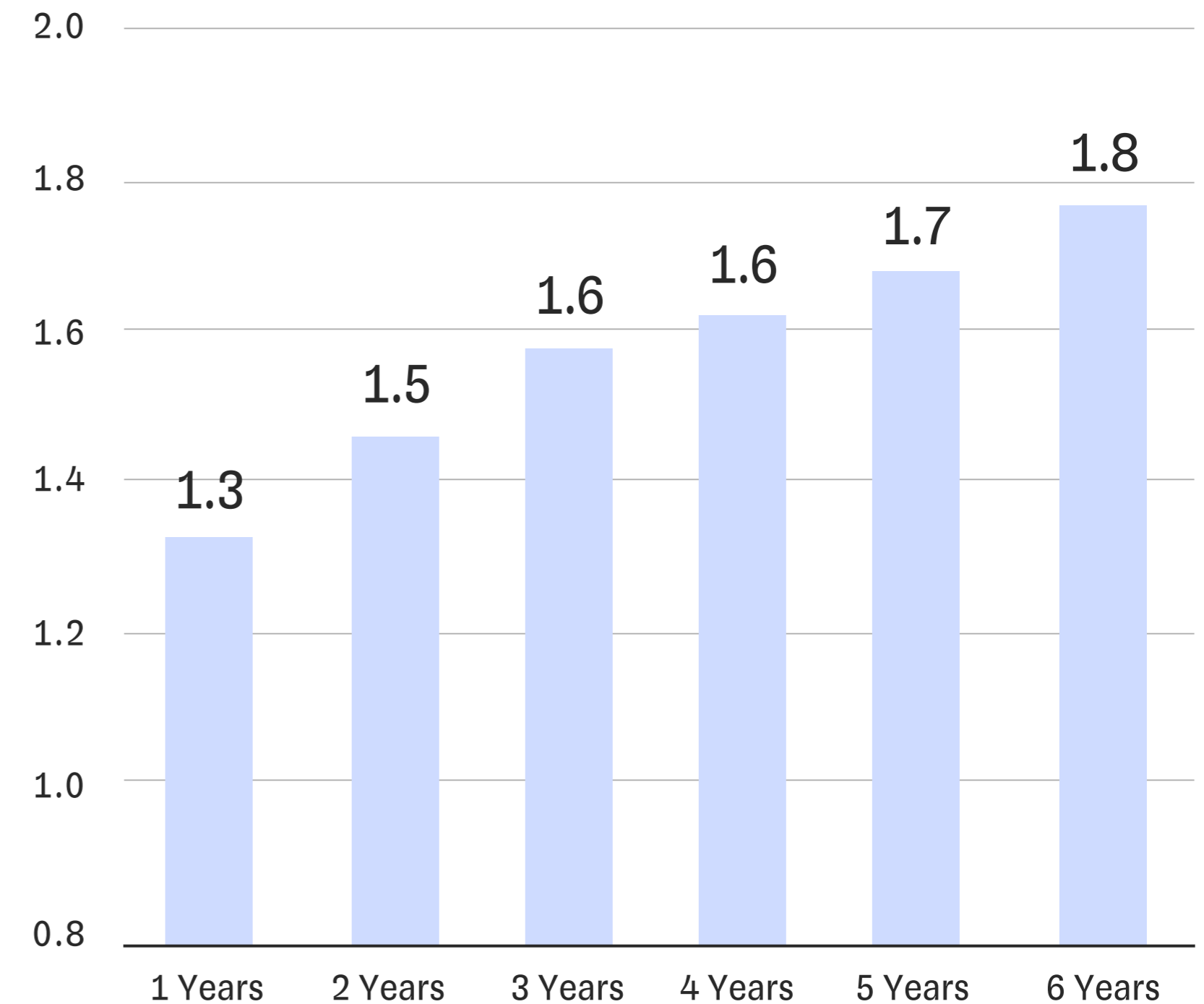
- Become the first choice provider for all lifestyle, transactional, and financial choices
- More products used over a longer time frame

Our engagement journey is well underway

Products per customer

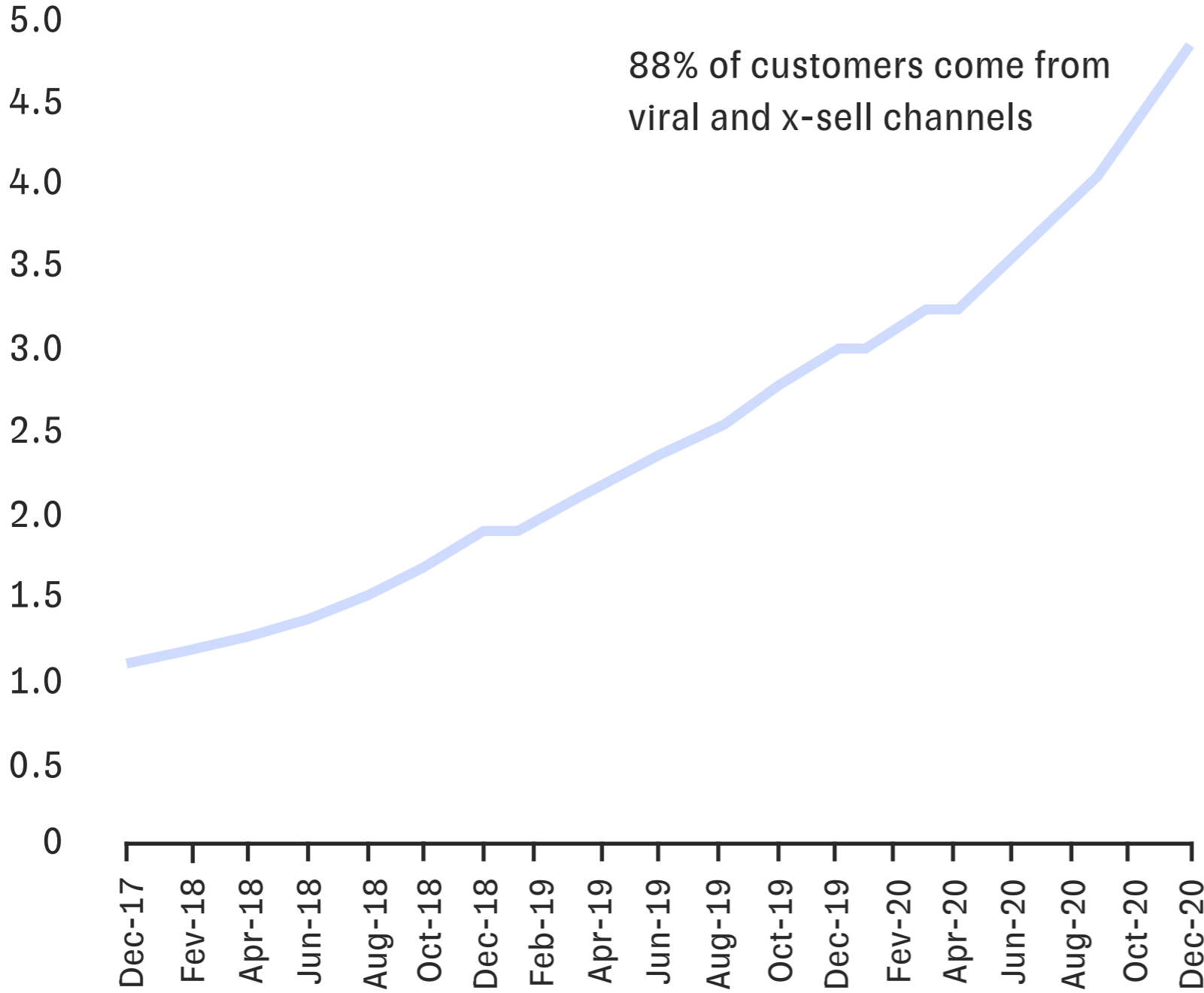


Products per customer based on how long they've been with Tinkoff

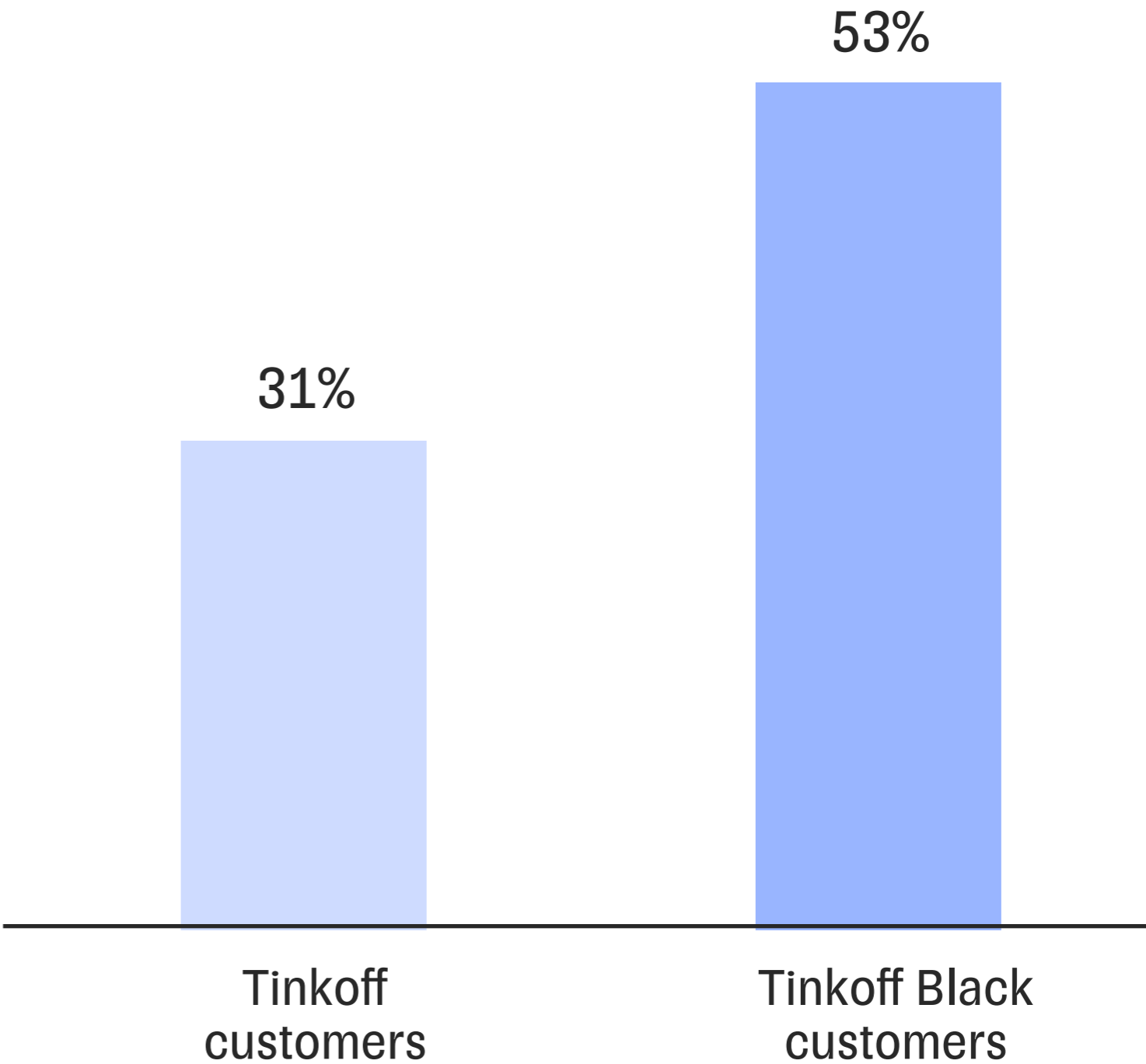


Our engagement journey is well underway

Tinkoff Black active customers, m

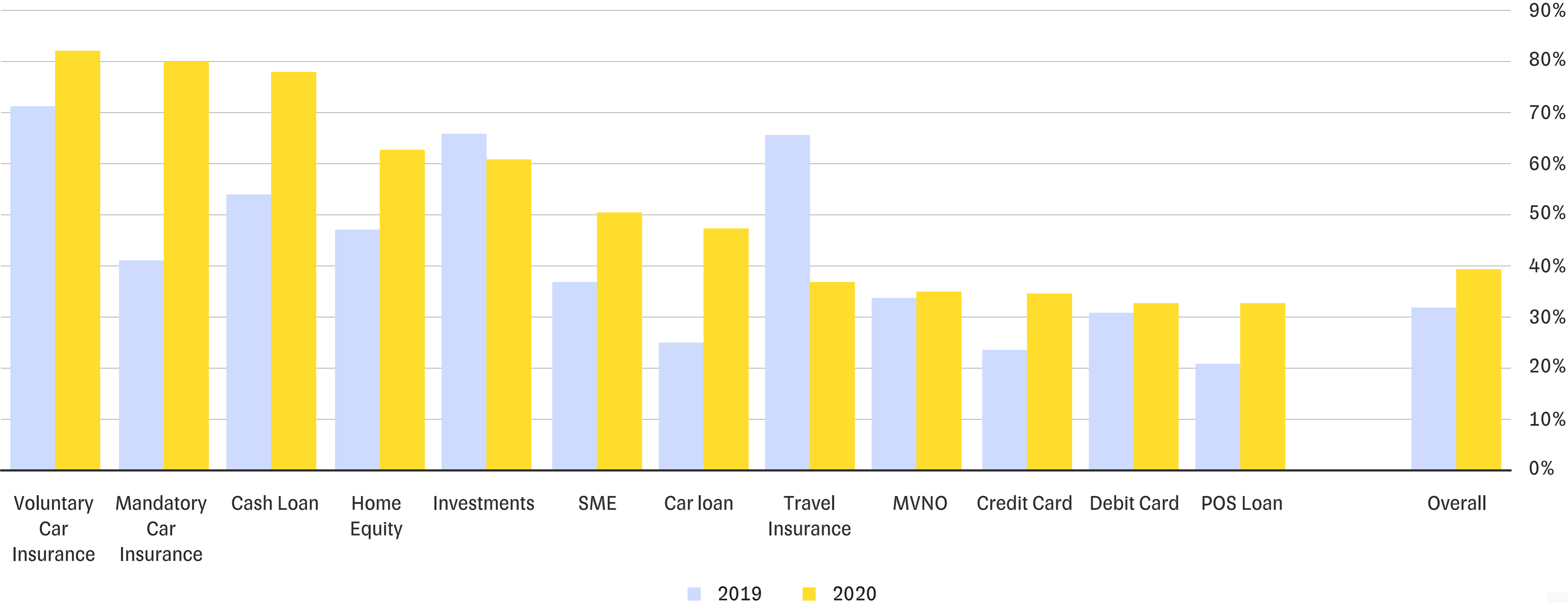


% of customers with 2+ products



Our engagement journey is well underway

% of customers who utilized a product and previously had another Tinkoff product



...But with >6m customers with only one product at YE20,
we have plenty of further growth

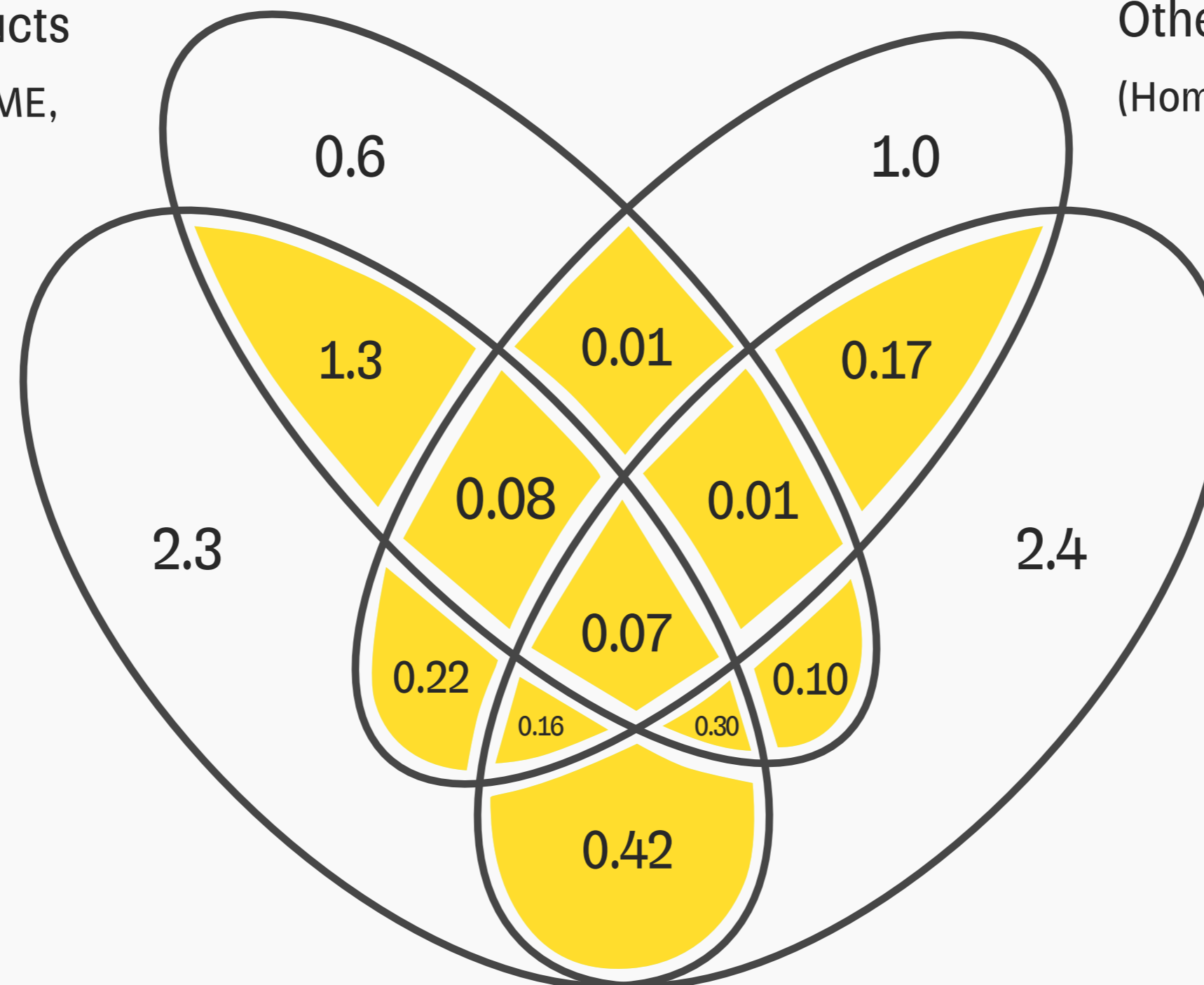
Distribution of active customer base

Other non credit products
(Investments, Insurance, SME,
MVNO, Deposit)

Other credit products
(Home Equity, Car, POS, Cash)

Debit cards

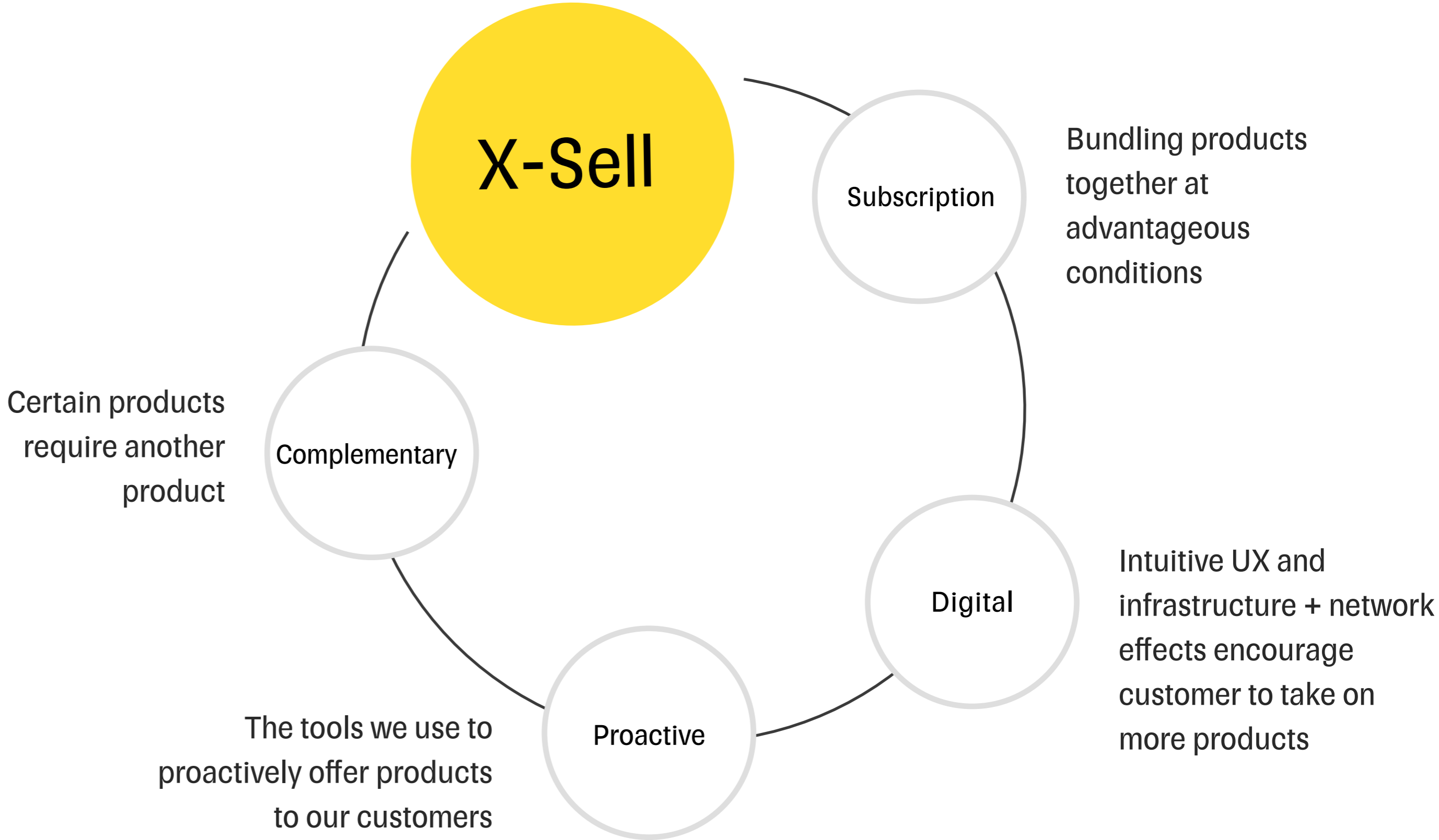
Credit cards



9.1m Active customers

2.8m Active customers with
2+ products

How do we make sure the customer is benefitting from the entire product suite?



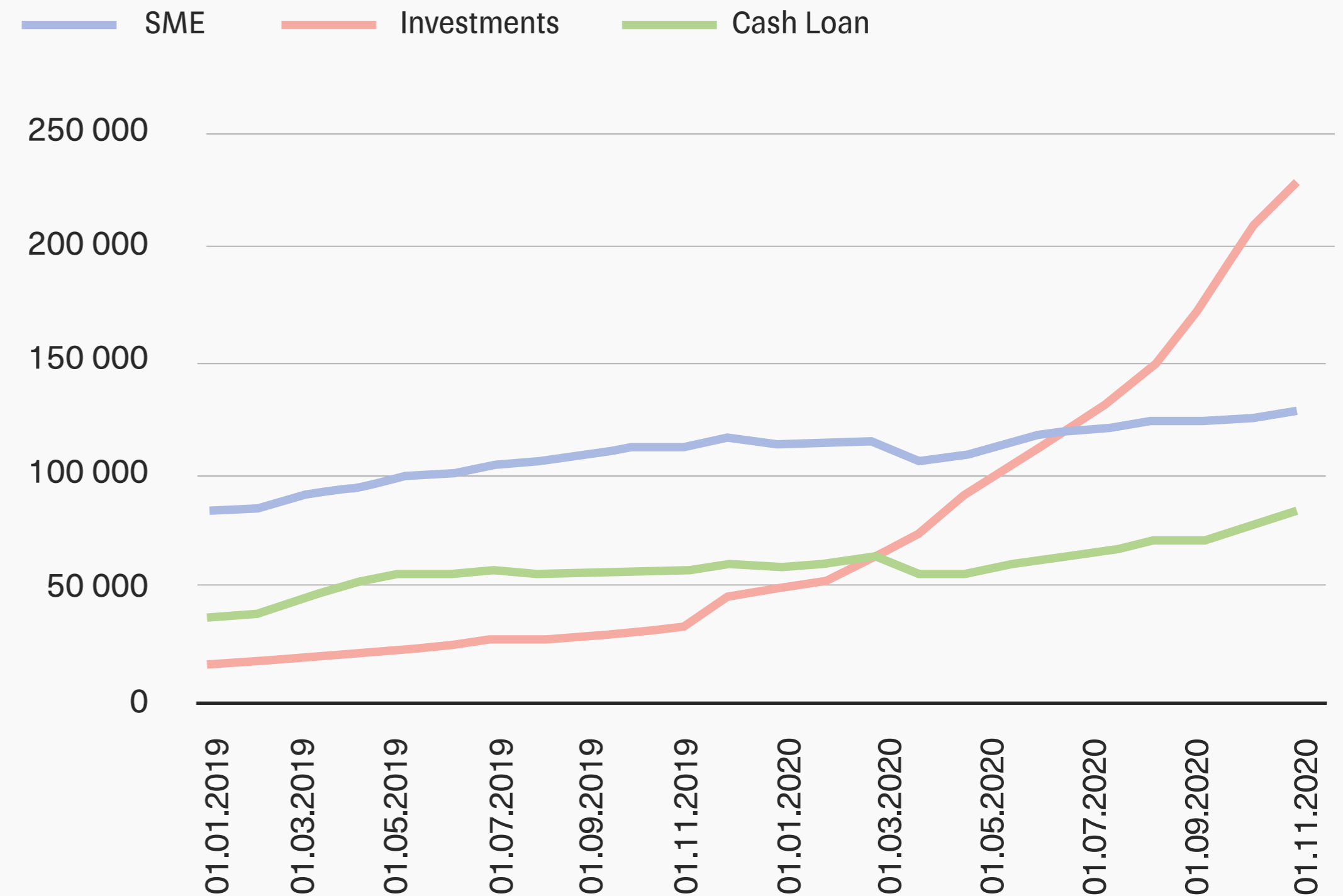
Complementary x-sell

Several products should be used jointly as they complement each other, and the application process of one product is embedded in that of another

- ✓ Cash loan disbursed to Tinkoff Black
- ✓ Investments can be done directly from Tinkoff Black
- ✓ SME account is tied to Tinkoff Black

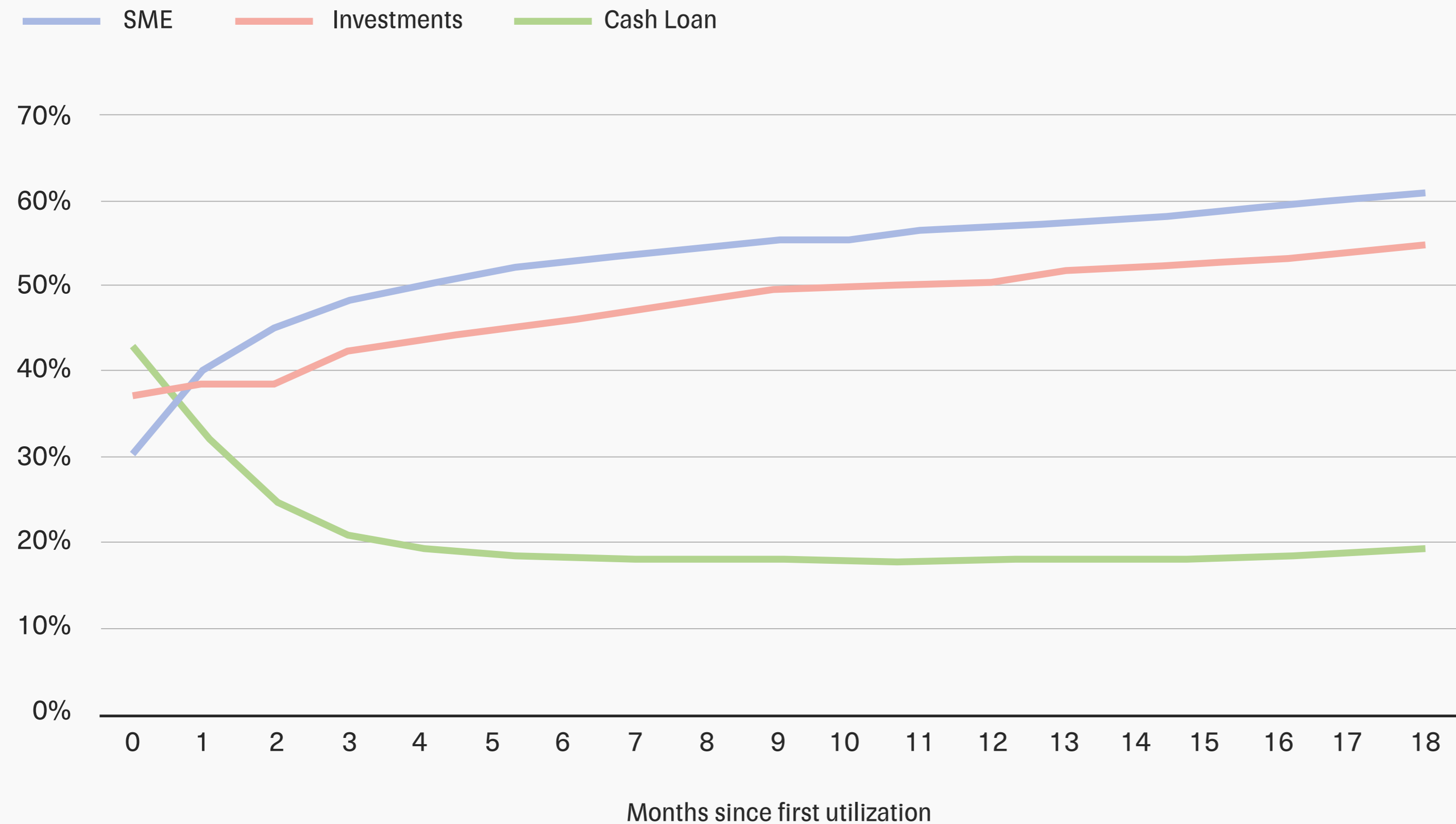
of active customers that were cross-sold a Tinkoff Black debit card, by customer base

A total of 440k SME, Investments, and cash loan customers have become active Tinkoff Black users in the last 2 years



Complementary x-sell

% of active customers that became active Tinkoff Black debit card users



After ~1.5 years

60%

of active SME customers use Tinkoff Black

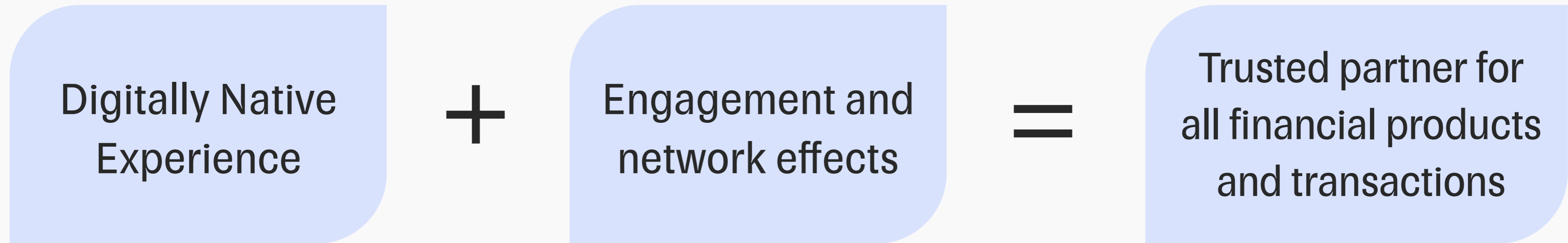
55%

of active Investments customers use Tinkoff Black

20%

of Cash loan customers use Tinkoff Black

Digital x-sell



Digital x-sell – the Tinkoff marketing platform

Why?

- Increasingly frequent traffic on our mobile app allows us to have more touch points with customers

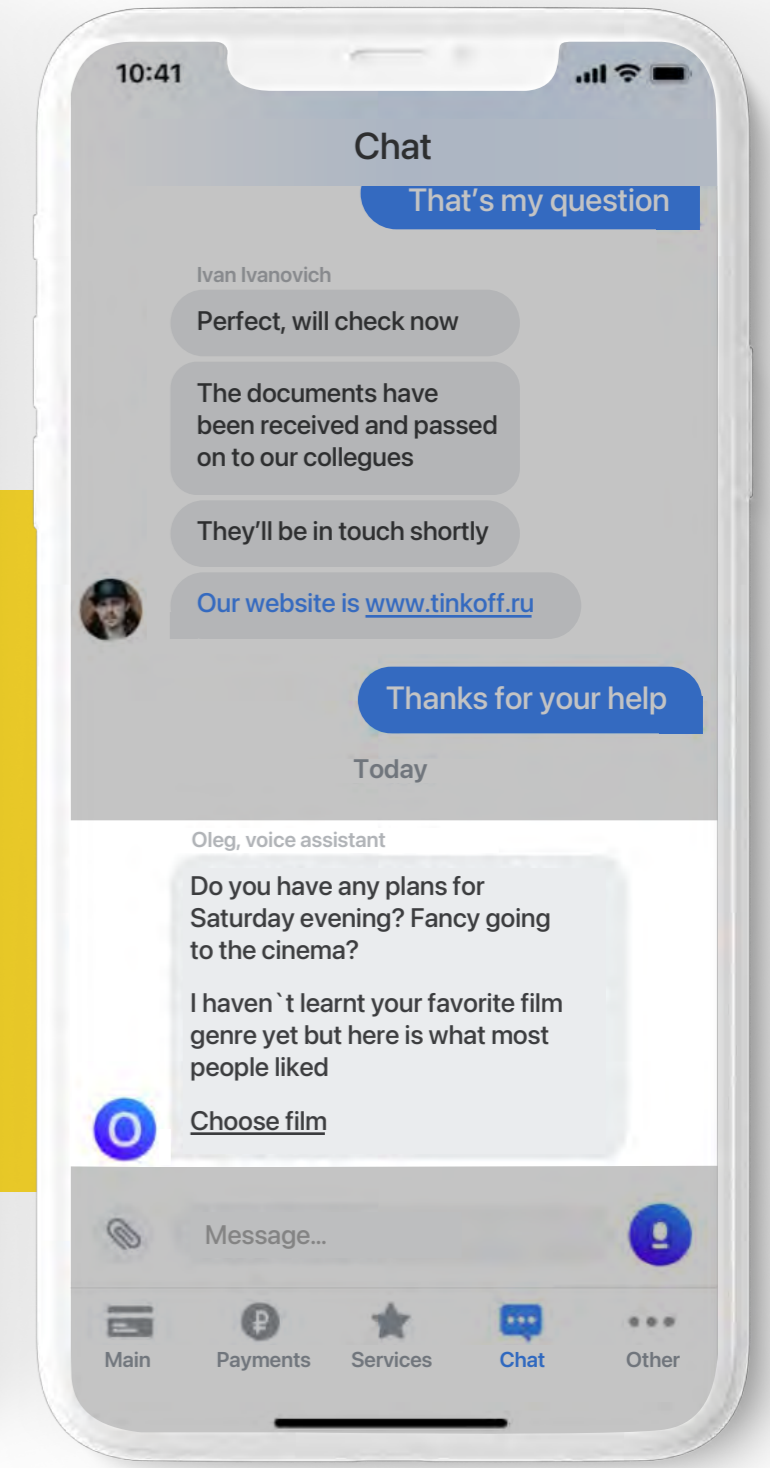
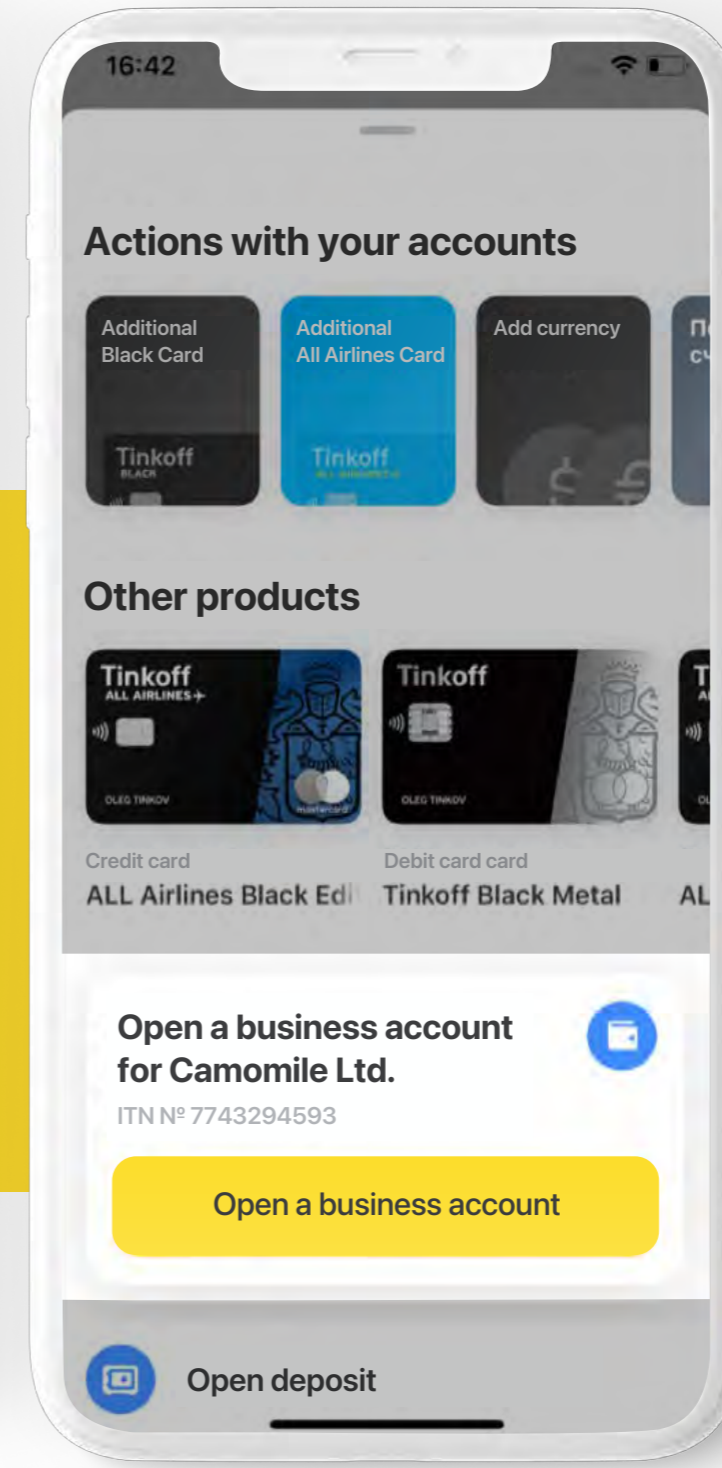
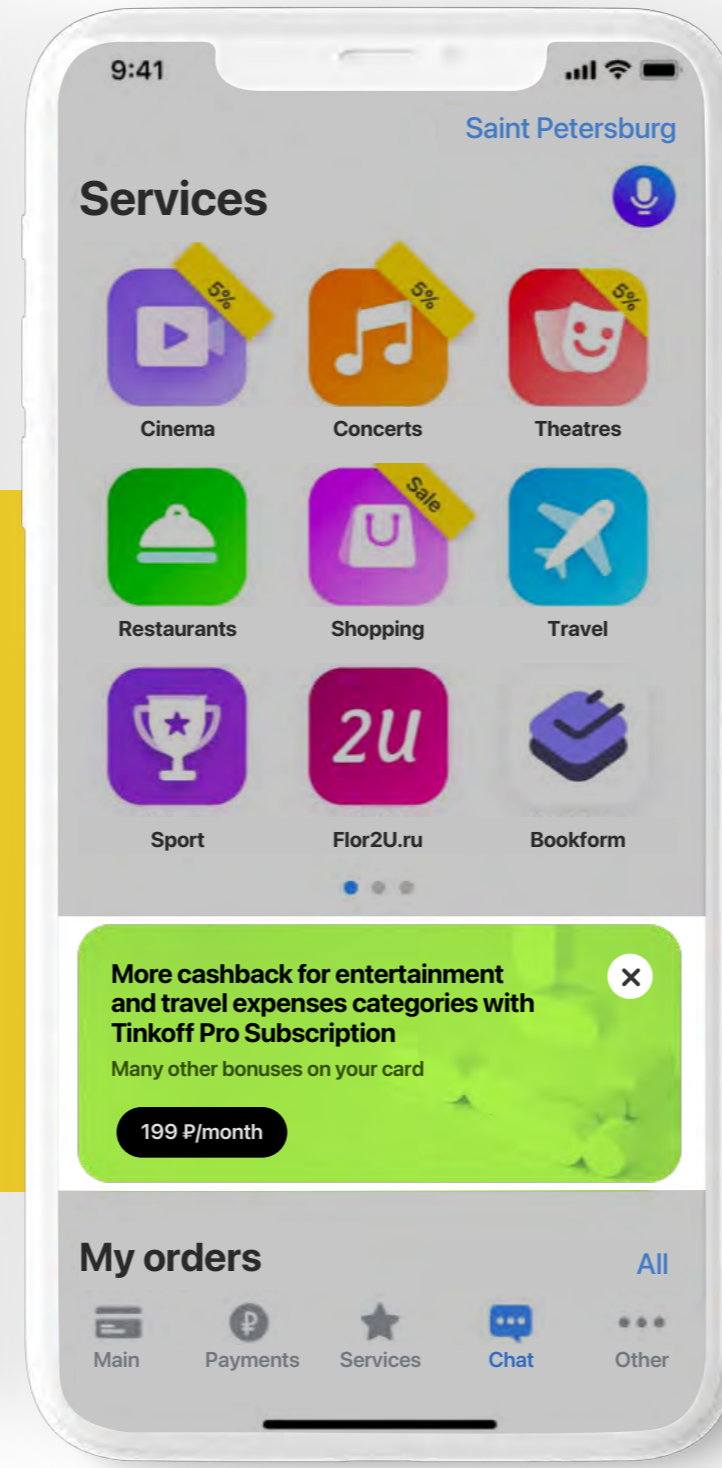
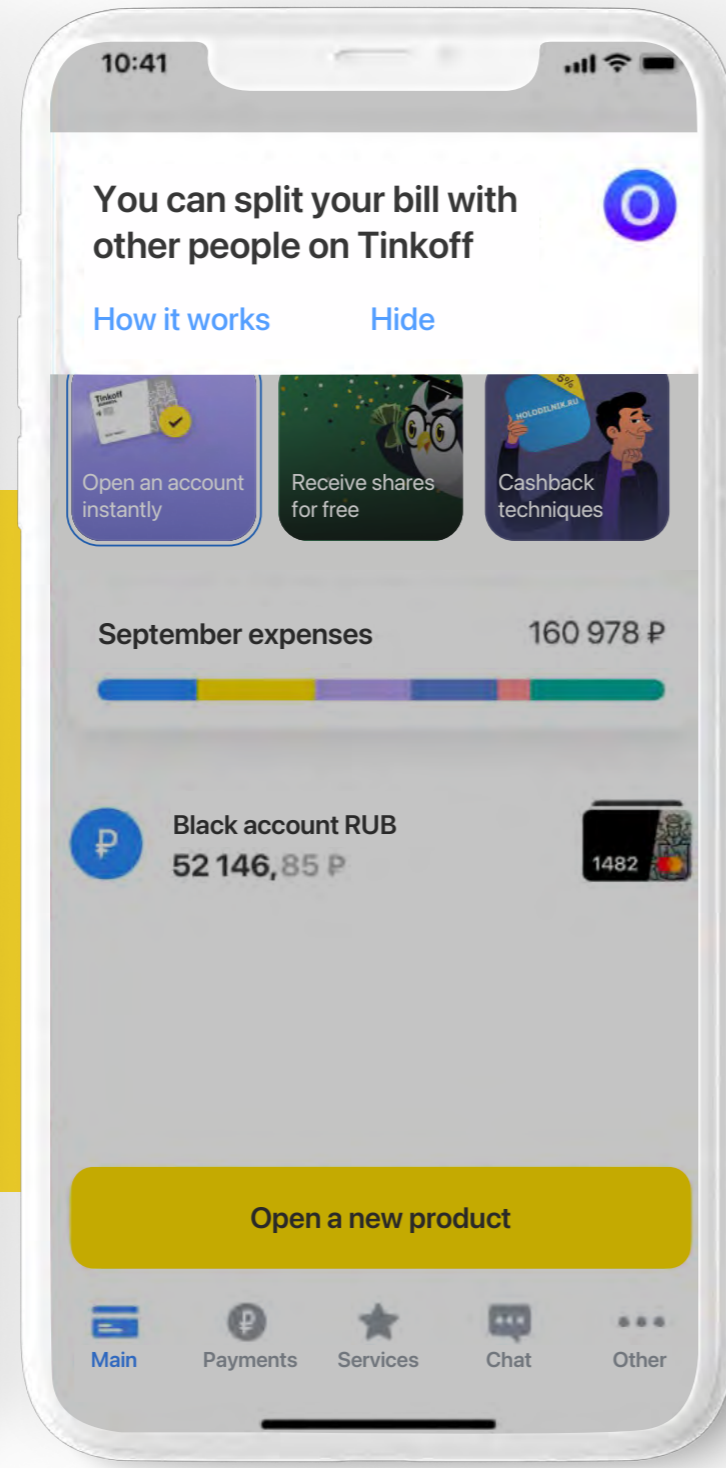
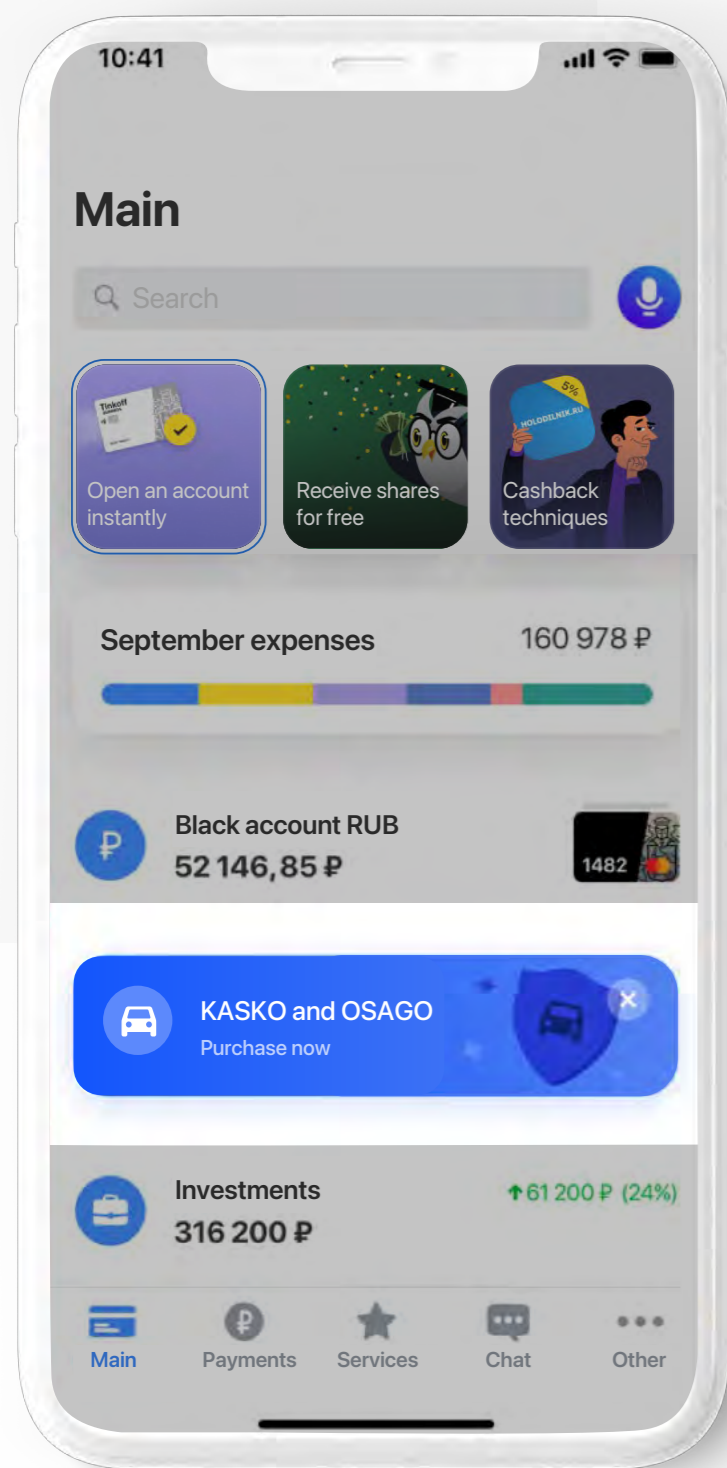
What?

- Contextual suggestions within the App
- More than 1 500 unique outbound marketing communications are carried out monthly through classic channels
- Every day over 400 unique targeted communications with customers take place within the Tinkoff Stories channel

How?

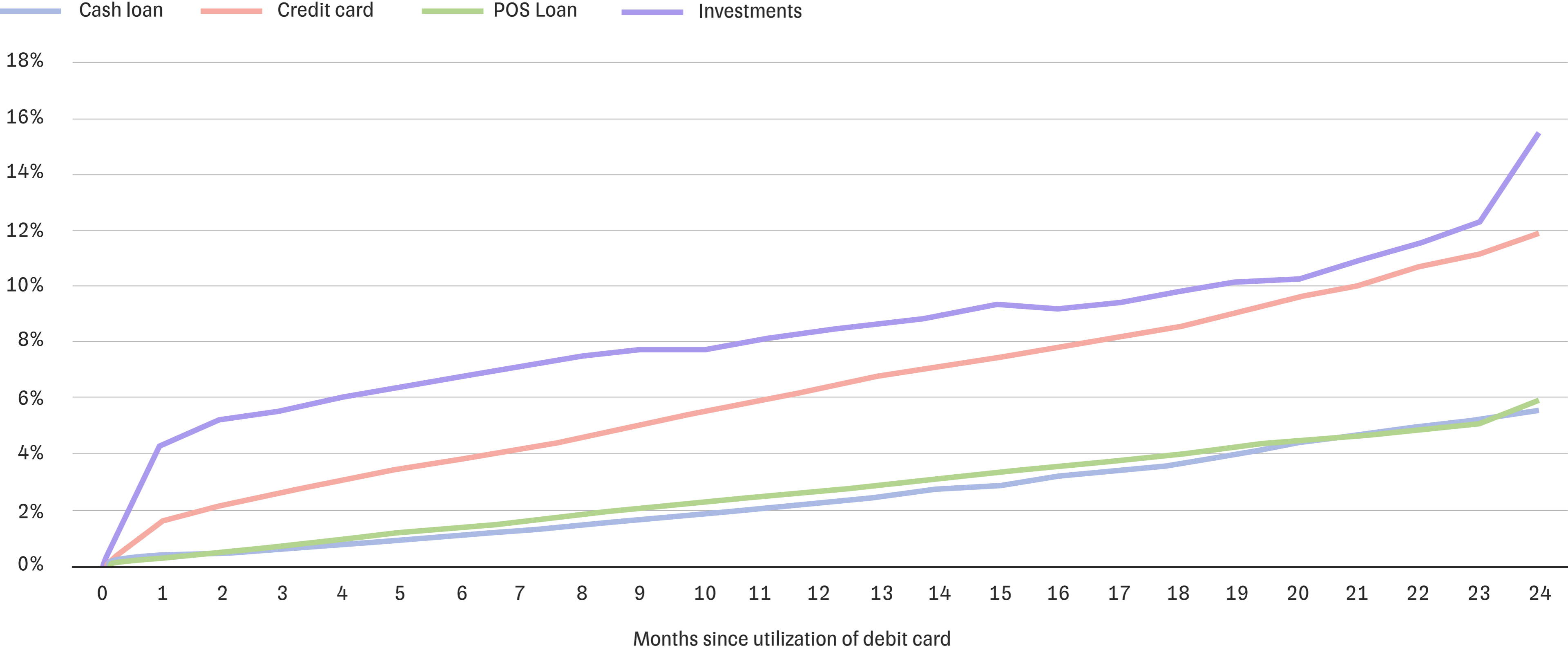
- Create target segments using surveys, analytics on use of products and services, data on response to existing communication channels
- Models are systematically improved through machine learning
- Optimal method of communication chosen with in 200 milliseconds

Digital x-sell – stories & offers



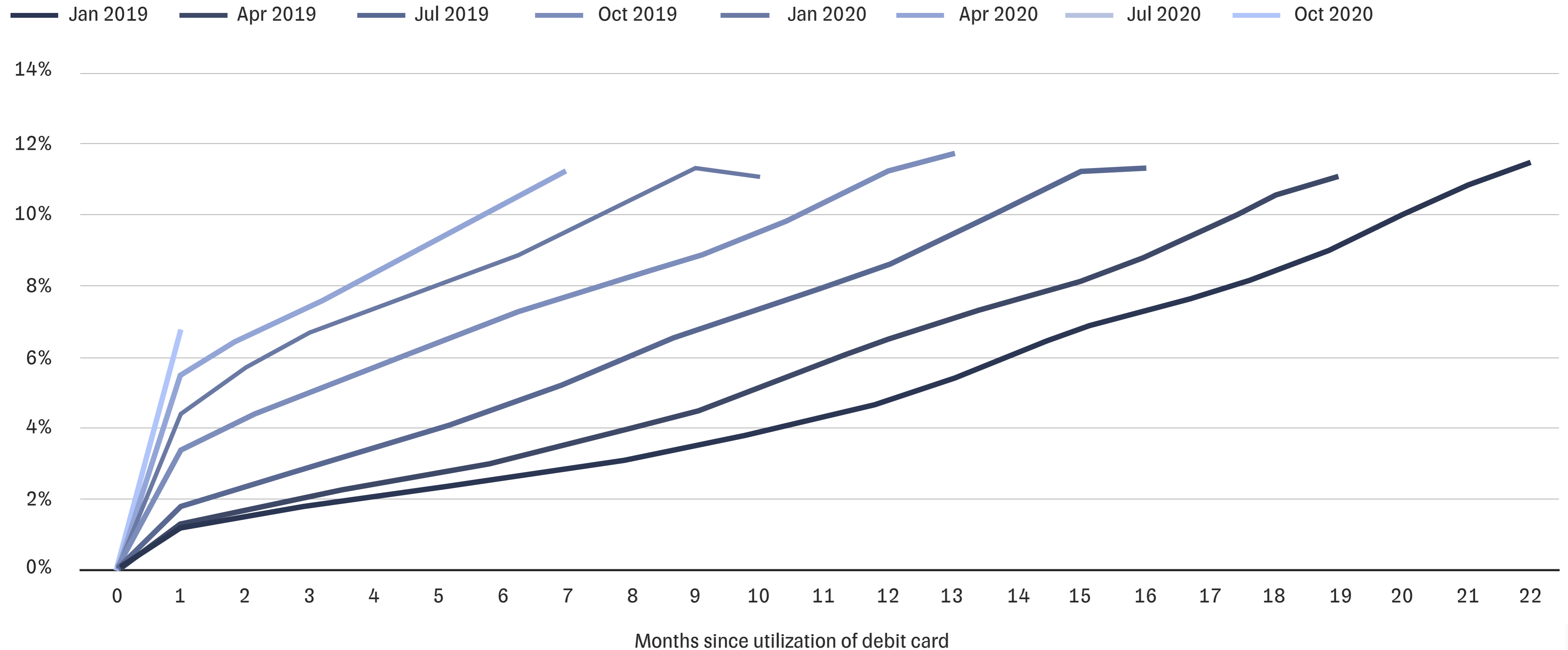
Digital x-sell - the results

% of Tinkoff Black customers that start utilizing other products



Cross-selling results are improving over time

% of Tinkoff Black customers that start utilizing Tinkoff Investments, by vintage



Proactive x-sell – key tools



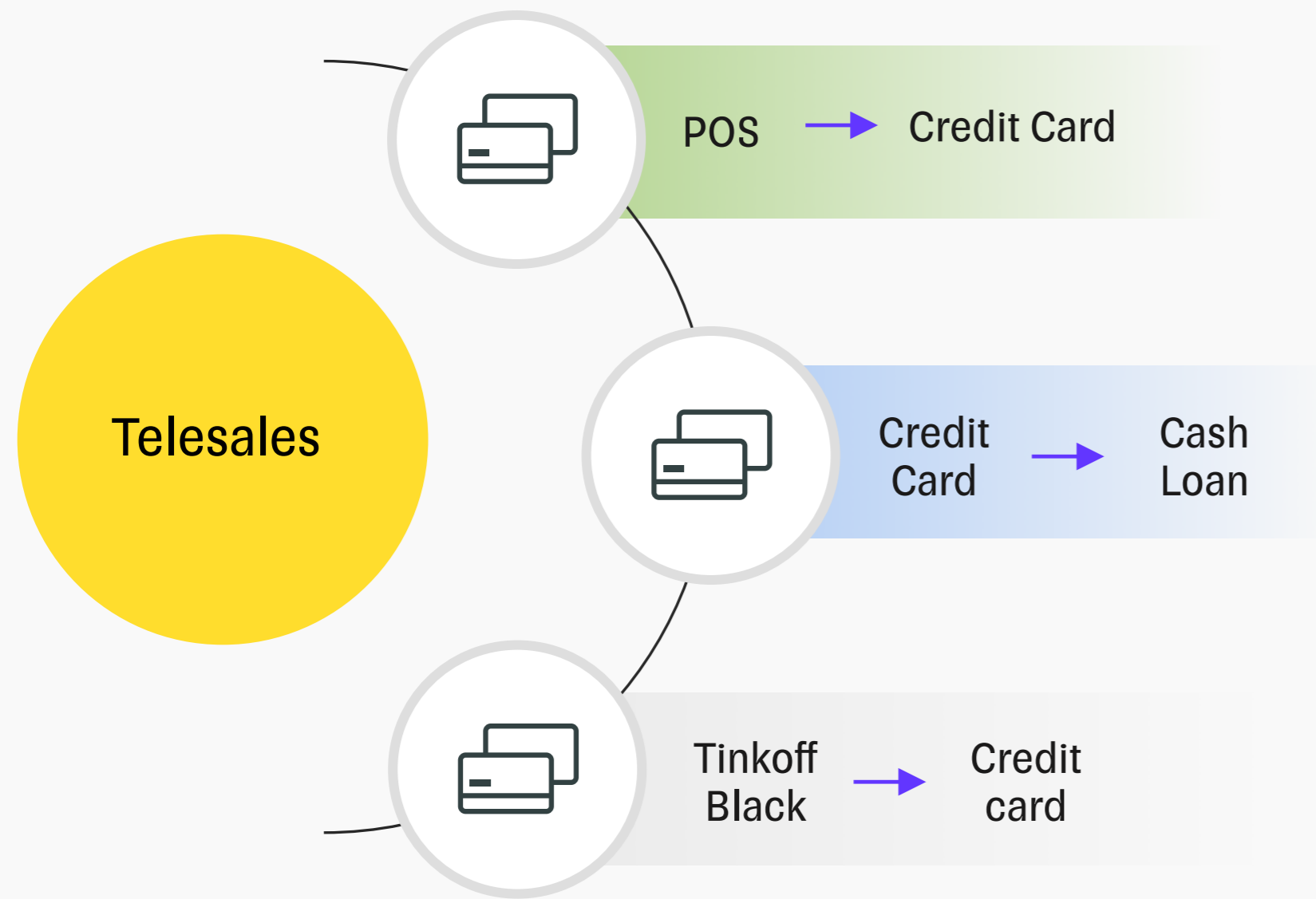
Telesales

Smart Couriers

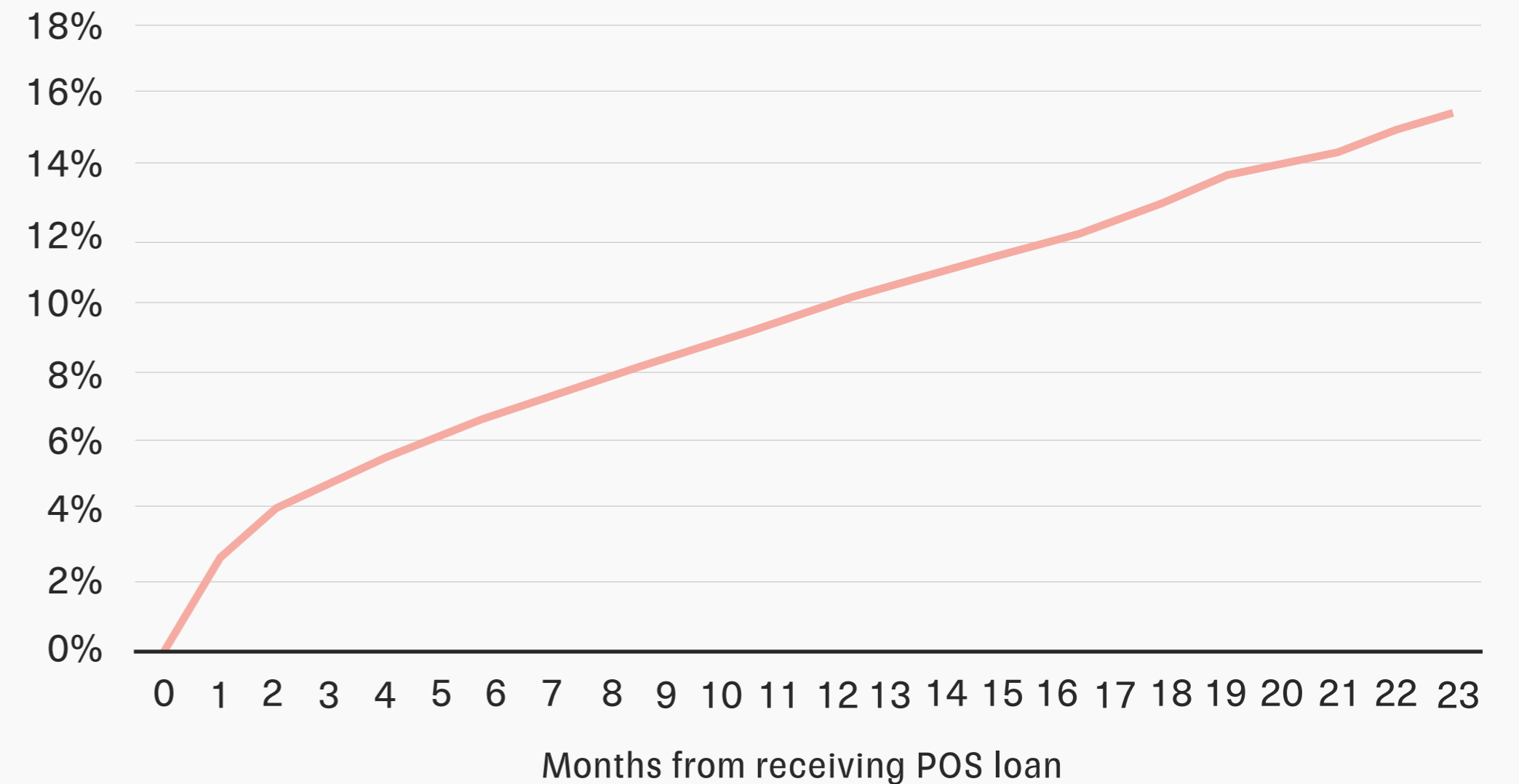
≥ 8000 people

≥ 3000 people

Telesales – main use cases



% of POS loan customers that get credit cards, by month



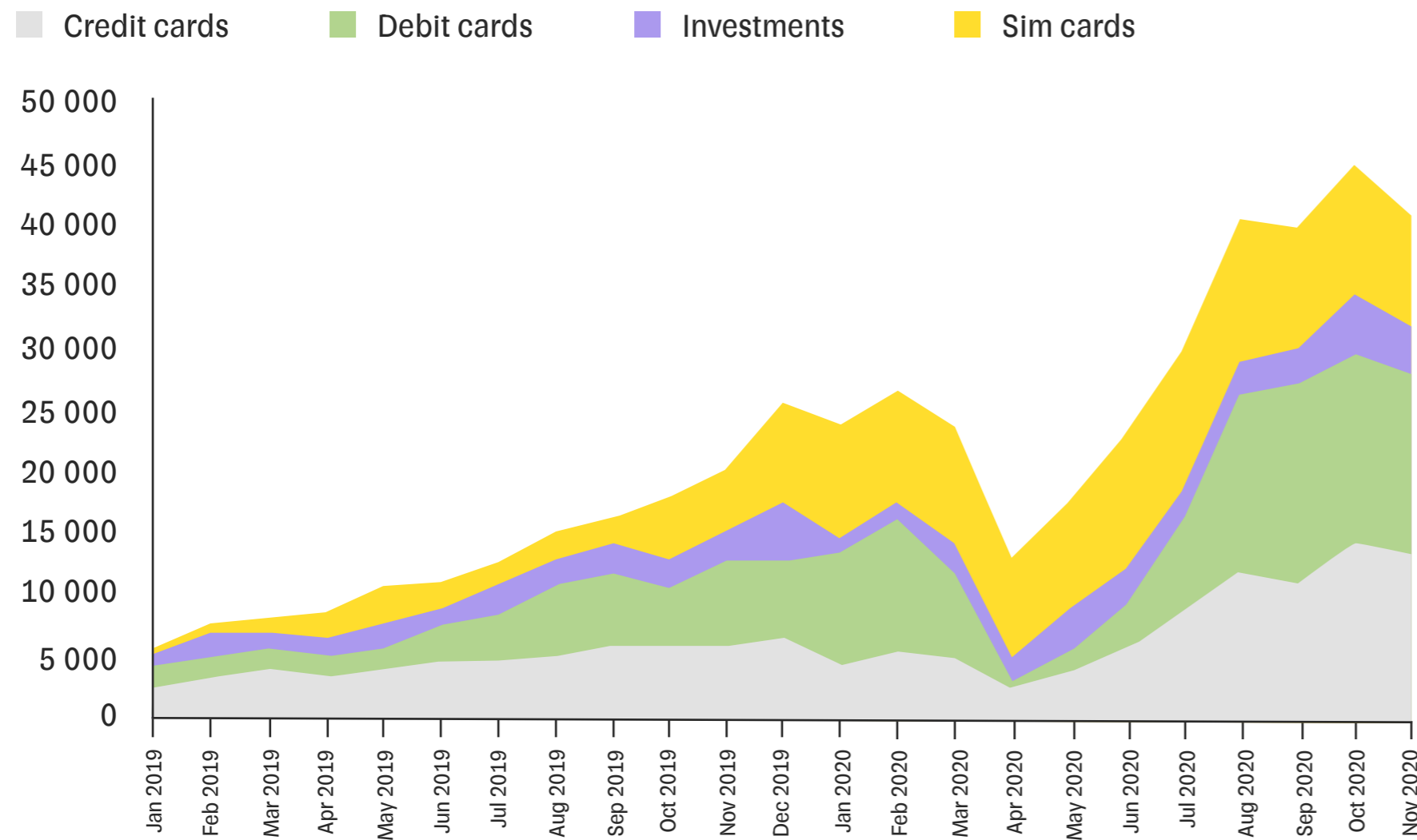
— Developing telesales capabilities on inbound calls and chats

— One important rule:

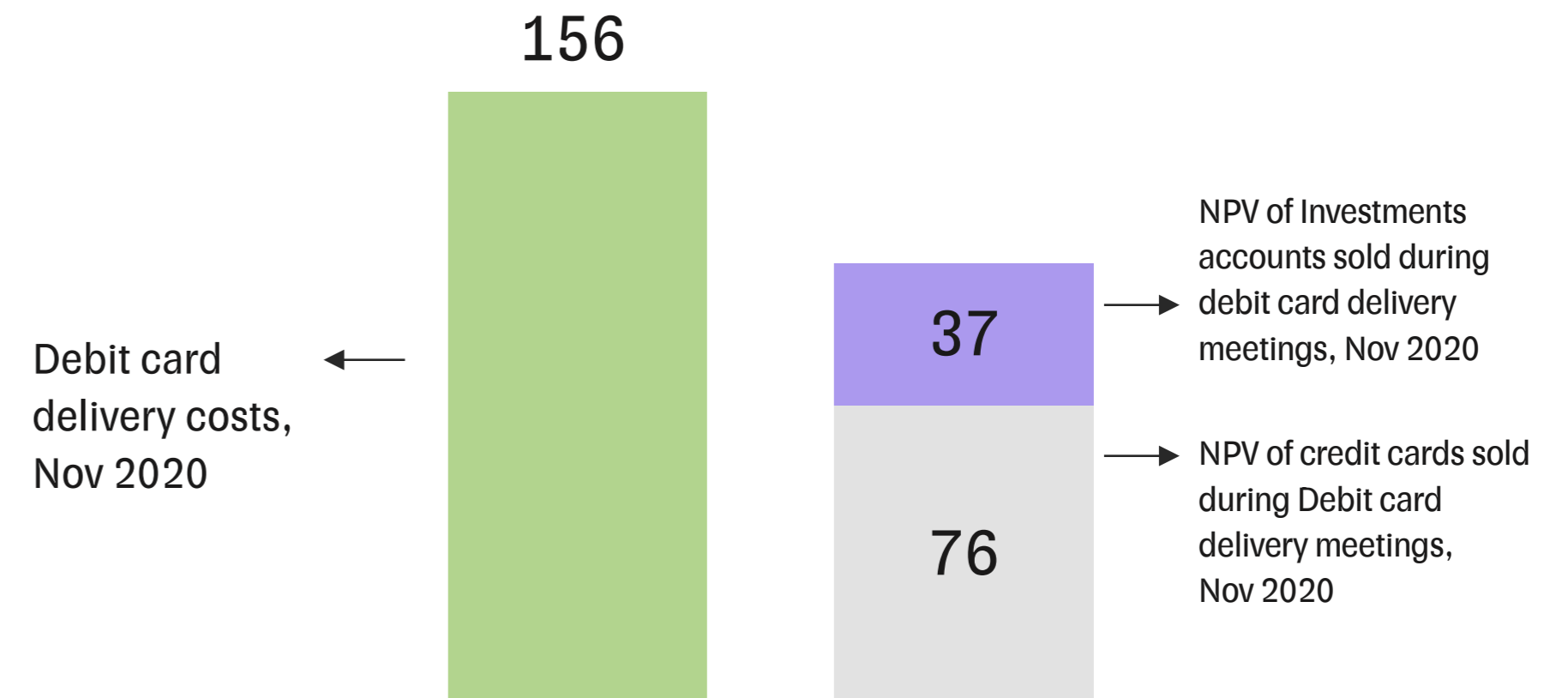
We have controls and rules so as to not overwhelm our customers with calls

Smart couriers as a cross-selling tool

7x increase in cross-sold products by smart couriers, # of products sold and then utilized



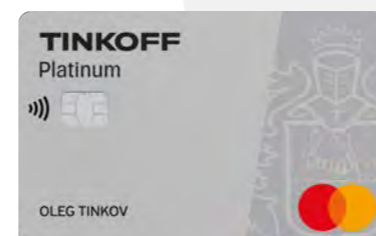
Sales of credit cards and Investments during Debit Card delivery meetings pay for almost 75% of the delivery cost (m Rub)



Share in all acquisitions, November 2020

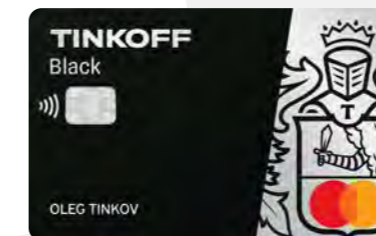
8.2%

Platinum credit cards



5.8%

Tinkoff Black debit cards

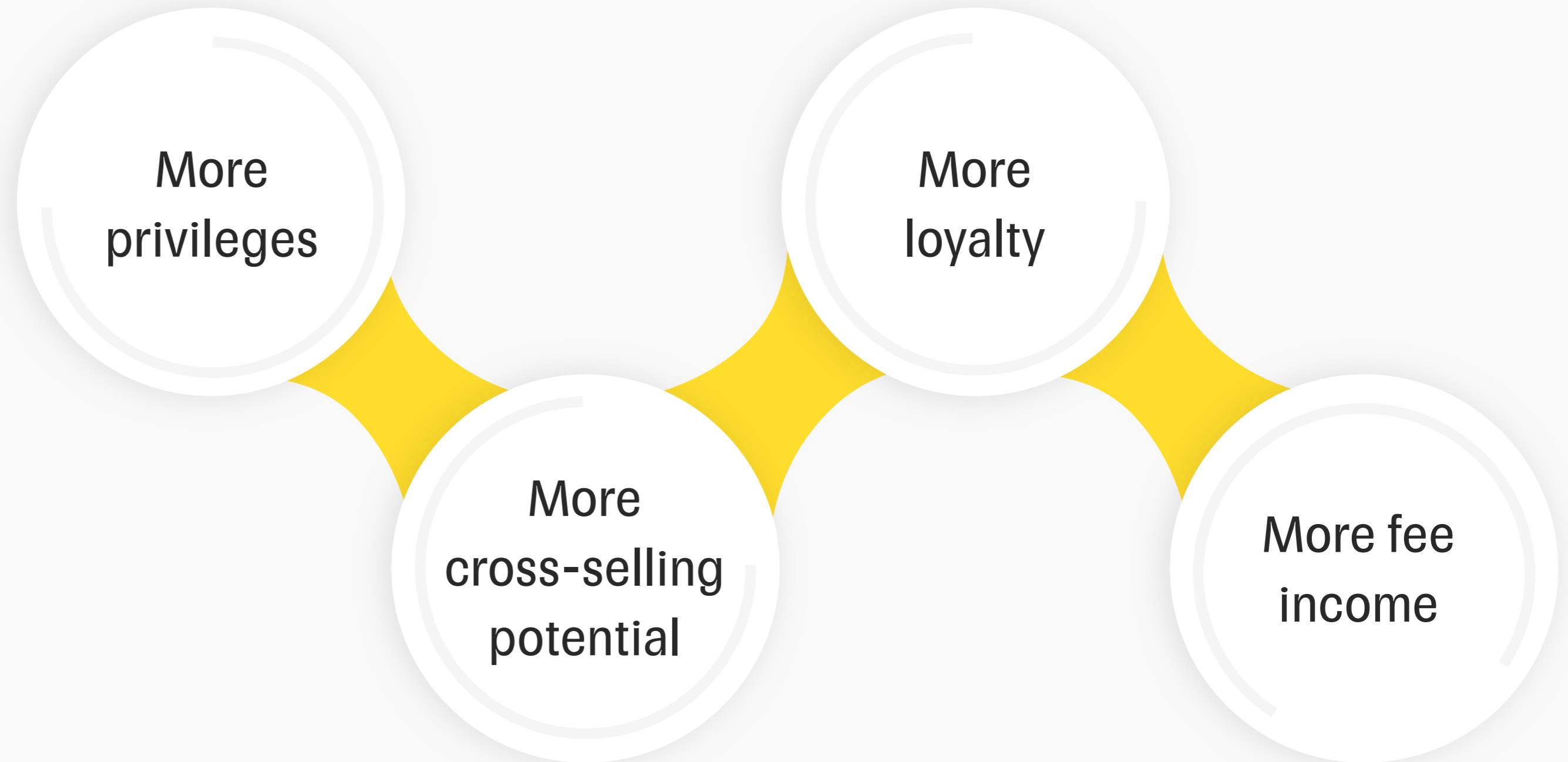


52%

Tinkoff Mobile sim card



**Subscription –
a new tool
to engage
with our
customers**



Tinkoff Pro – our ecosystem in one subscription

- Higher deposit rates
- Higher P2P transfer limits
- More attractive loyalty program terms
- Free SMS notifications
- More cashback categories
- 15% cashback on Lifestyle offering
- 5-10% cashback on Tinkoff Travel
- Up to 100% lower card fees

Additional benefits

- 7% cashback on Insurance products
- Special offers on Tinkoff Mobile
- Higher transfer limits for individual entrepreneurs
- Special partner offers (streaming, etc)



199 RUB/month

(First month - free)



We tailor our cross selling channel to our customers and to the product

More virality potential

More mass affluent and younger customer

Traditional proactive channels

Digital channels

— Credit products

— Tinkoff Black
— Tinkoff Investments

More to go on the engagement journey

1.1 x

1.4 x

>1.7 x

>2.0 x

Products
per active
customer
(2016)

Products
per active
customer
(2020)

Products
per active
customer
(2023)

Every
economically
active person
could have at least
2 products

Innovative

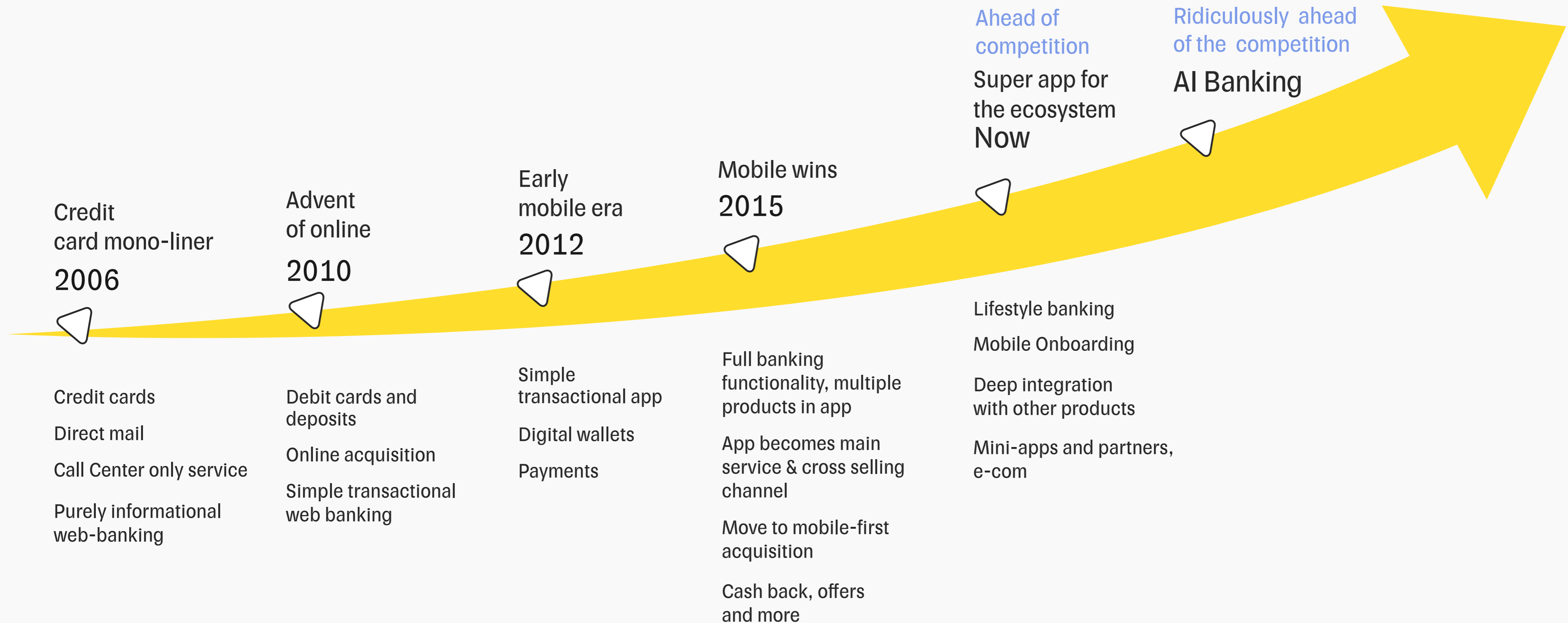
Our ecosystem will continue to surprise our customers by providing technology-powered, cutting-edge services and user interfaces



TINKOFF

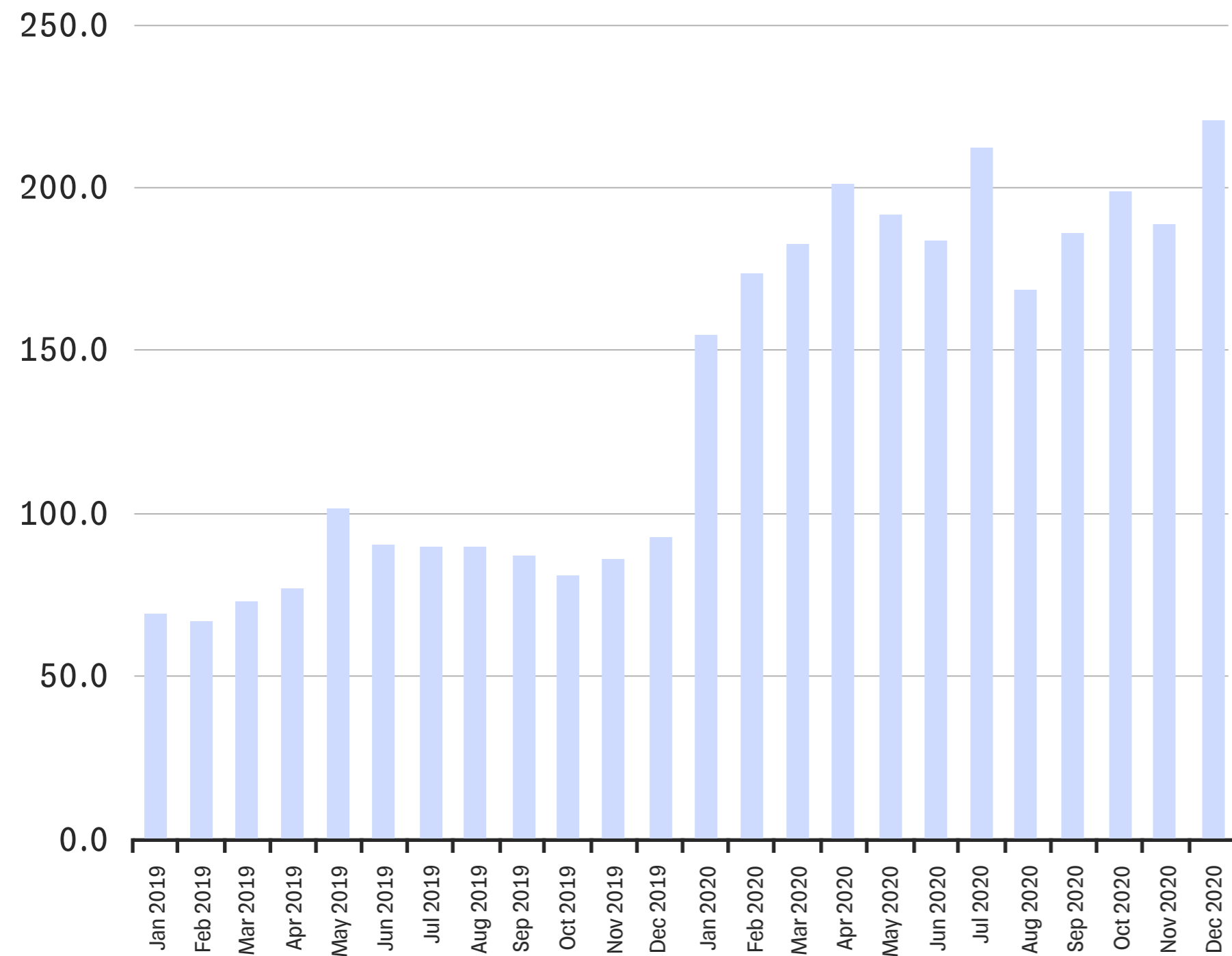
tinkoff.ru

Tinkoff's platform keeps evolving

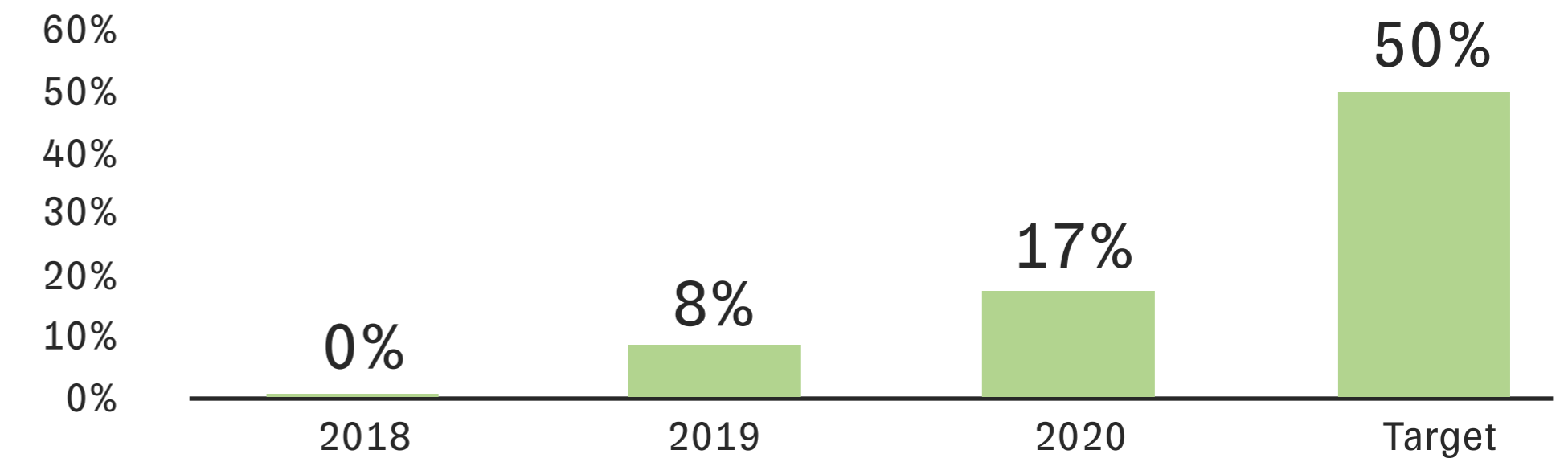


AI Banking started by solidifying our low cost position and bolstering our customer service

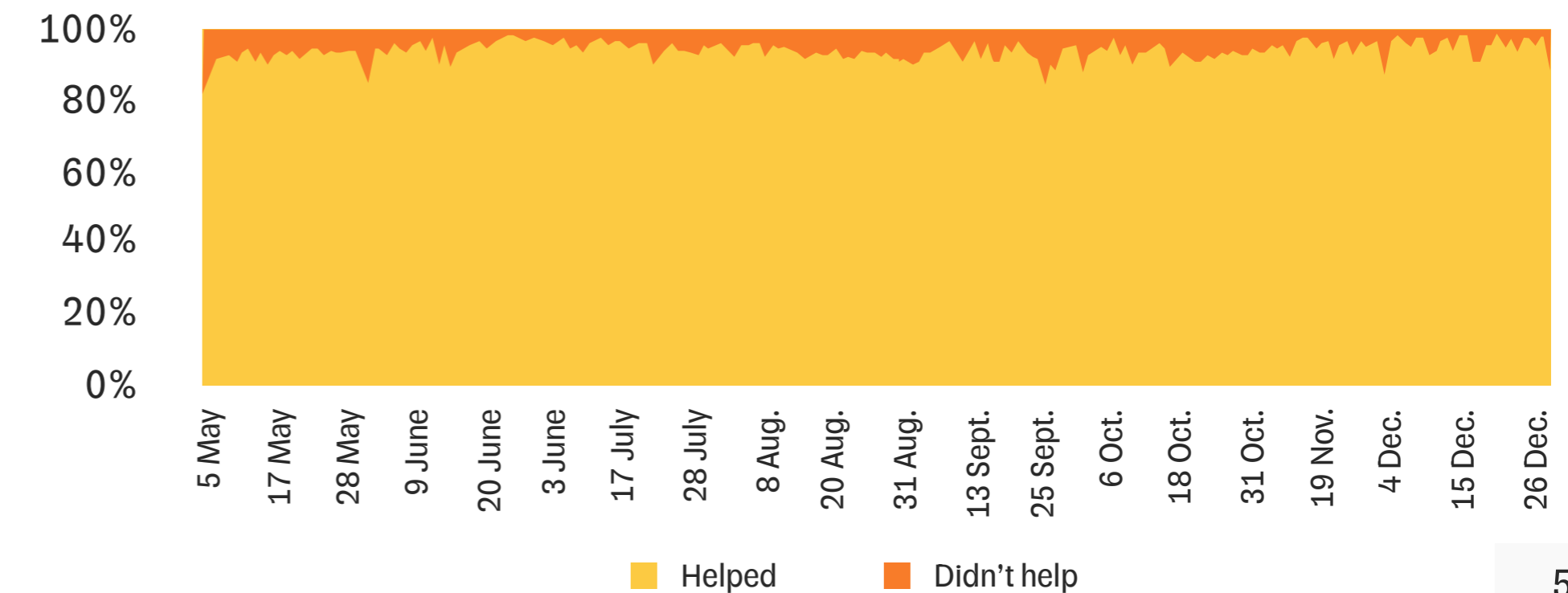
Monthly savings from use of chatbots, RUB m



% of incoming communications dealt by bots



Quality of interaction with chatbots



We need to help customers make their choices

✓ Money

✓ Time

✓ Happiness



Our solution: AI Banking

– ~~bank~~ ecosystem of the future, which helps customers become wealthier, helps them save, helps them reach their goals, gives them advice and recommendations, automates their finances, beats their expectations and simplifies their life

New values

- ✓ Money
- ✓ Time
- ✓ Happiness



Advice and recommendations



Ultimate personalization – a new AI-based UX



Autonomous finance



Oleg – the financial voice assistant



Gamification driven by user and brand generated content

AI Banking gives advice and recommendations

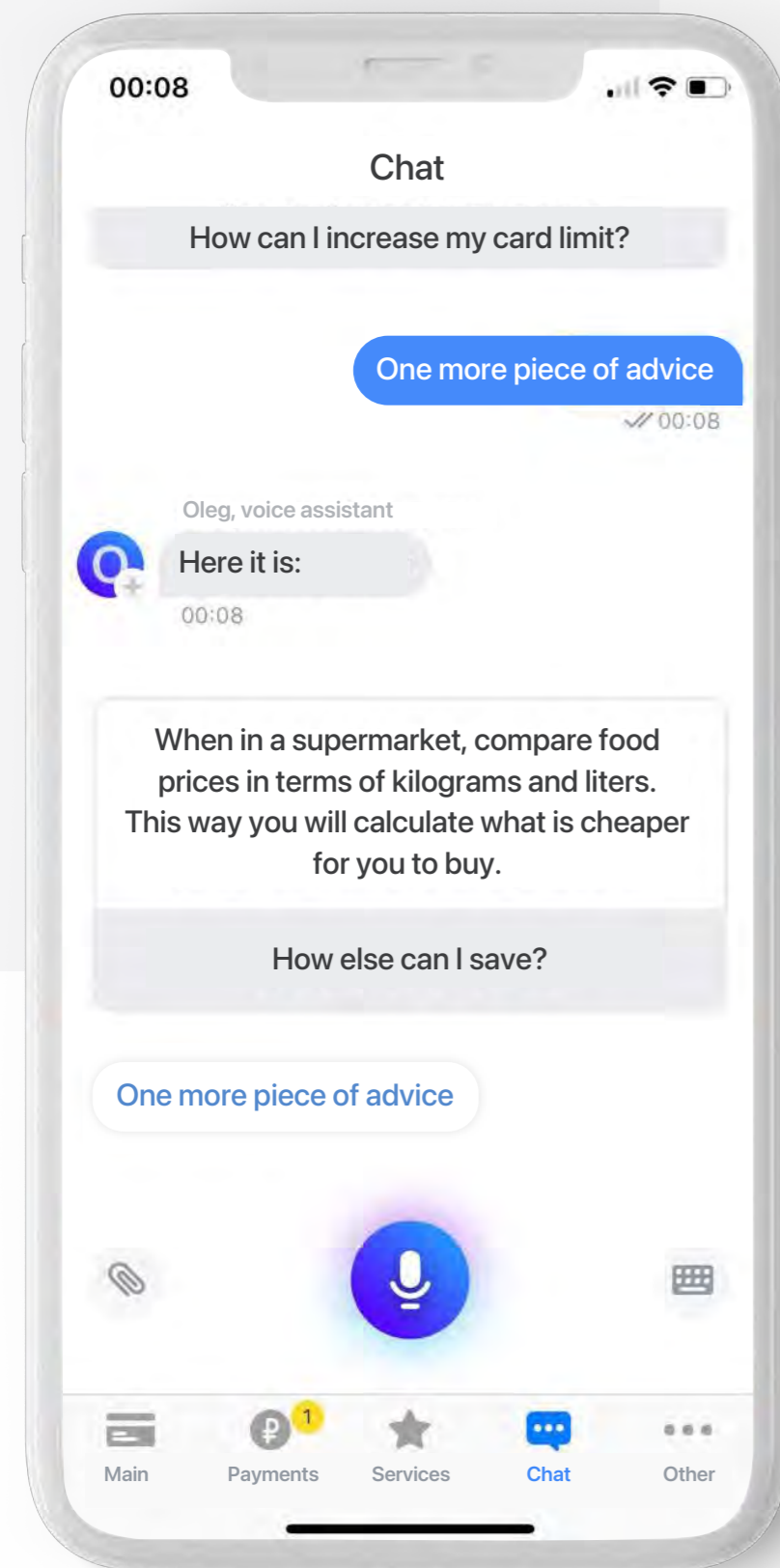
An **advice** is a **personalized communication** that motivates the customer to take a certain action that will benefit her, while taking into account her financial situation, spending patterns, savings and investments habits, and lifestyle preferences.

Personalized advice

- Purchases
- Money, savings
- Ecosystem Products
- Payments
- Objectives
- Events in the customer's life
- Customer actions
- Content
- Information
- ...

Communication channels

- Recommendation feed
- Stories
- Chats/Oleg
- PopUp at login
- Banners in the app
- Search
- Special offers
- Internet Banking
- Telephone
- ...



Advice & recommendations become a standalone product



Smart finances

AI Banking helps manage finances, save, invest, become wealthier



Smart expenditures

AI Banking helps save by suggesting smart ways



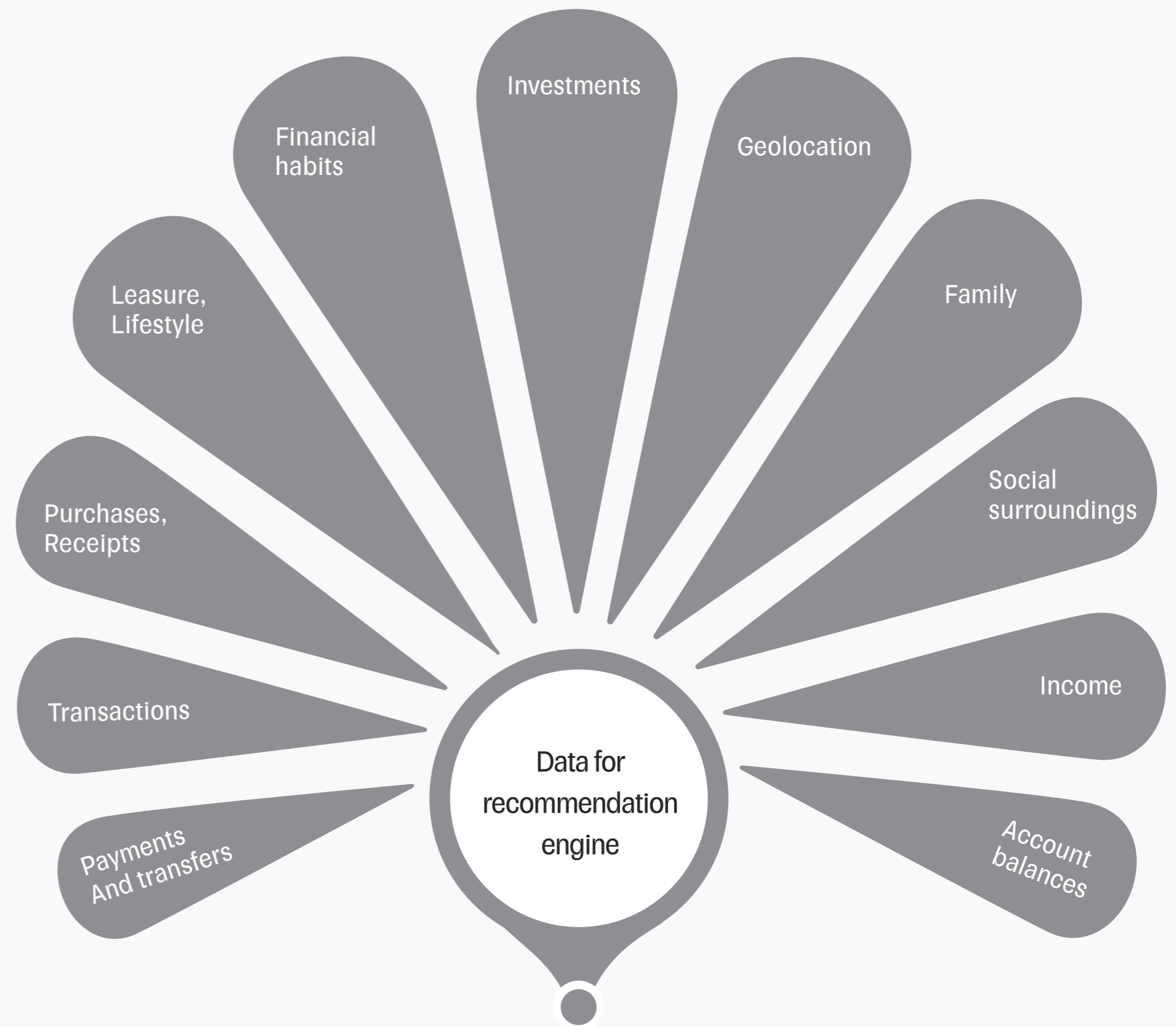
Ecosystem services

AI Banking simplifies life by suggesting suitable products and services



Pleasant expenditures

AI Banking helps make life more pleasant (lifestyle expenditures)



AI Banking provides the ultimate UX personalization

The AI Bank can predict why the customer has opened his superapp and provide immediately the right answer/ suggestion/ interface

The AI Bank can change the interface depending on the customer profile

The AI Bank can automatically sort by importance payments, offers, and any list

The AI Bank has a voice interface: Oleg voice assistant helps link products within the ecosystem, automates service, gives users a new UX, "wow-effect"

The AI Bank automates finances

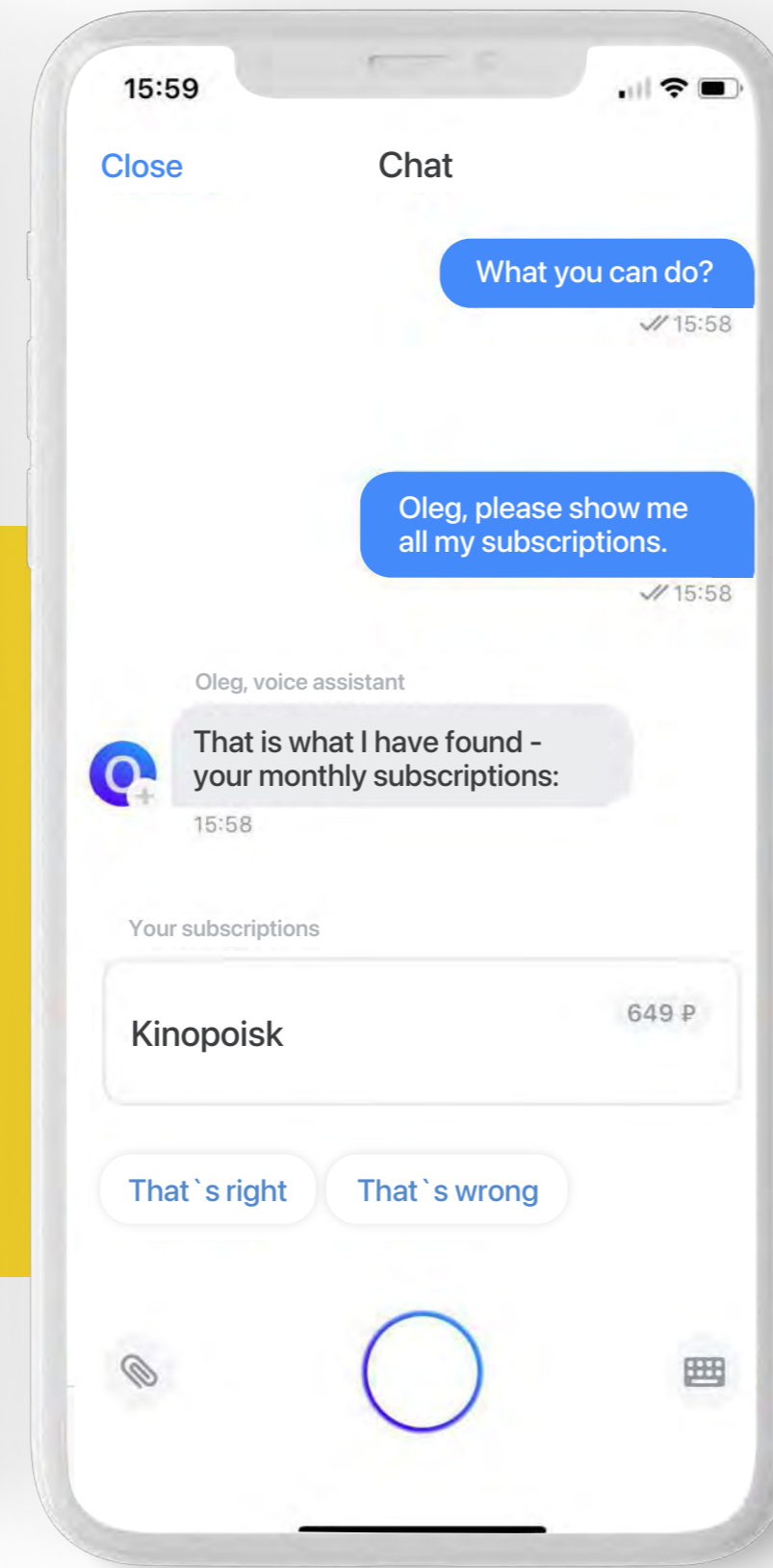
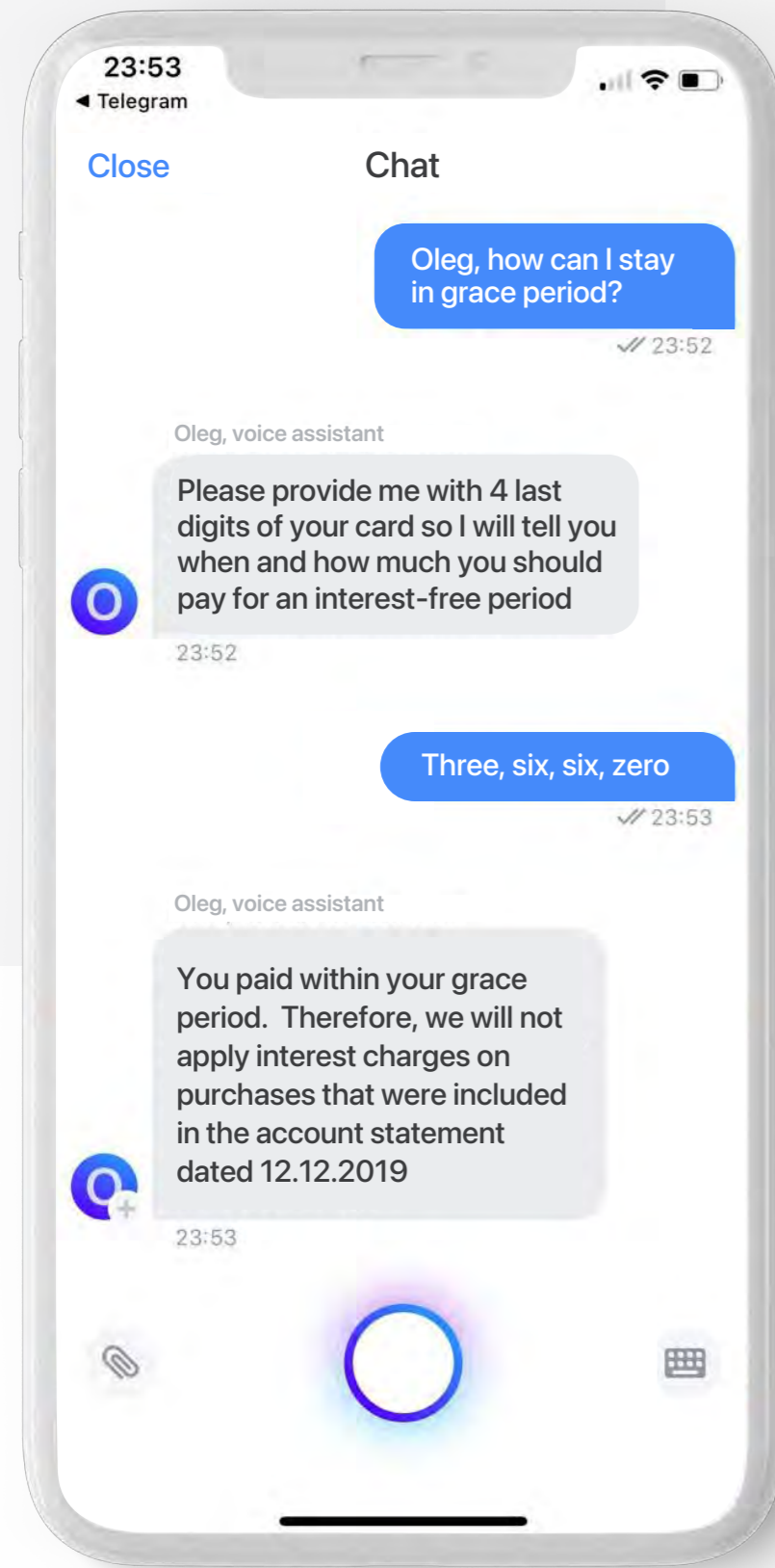


The **AI Bank** proactively takes care of regular payments, transfers, taxes, fines, etc.

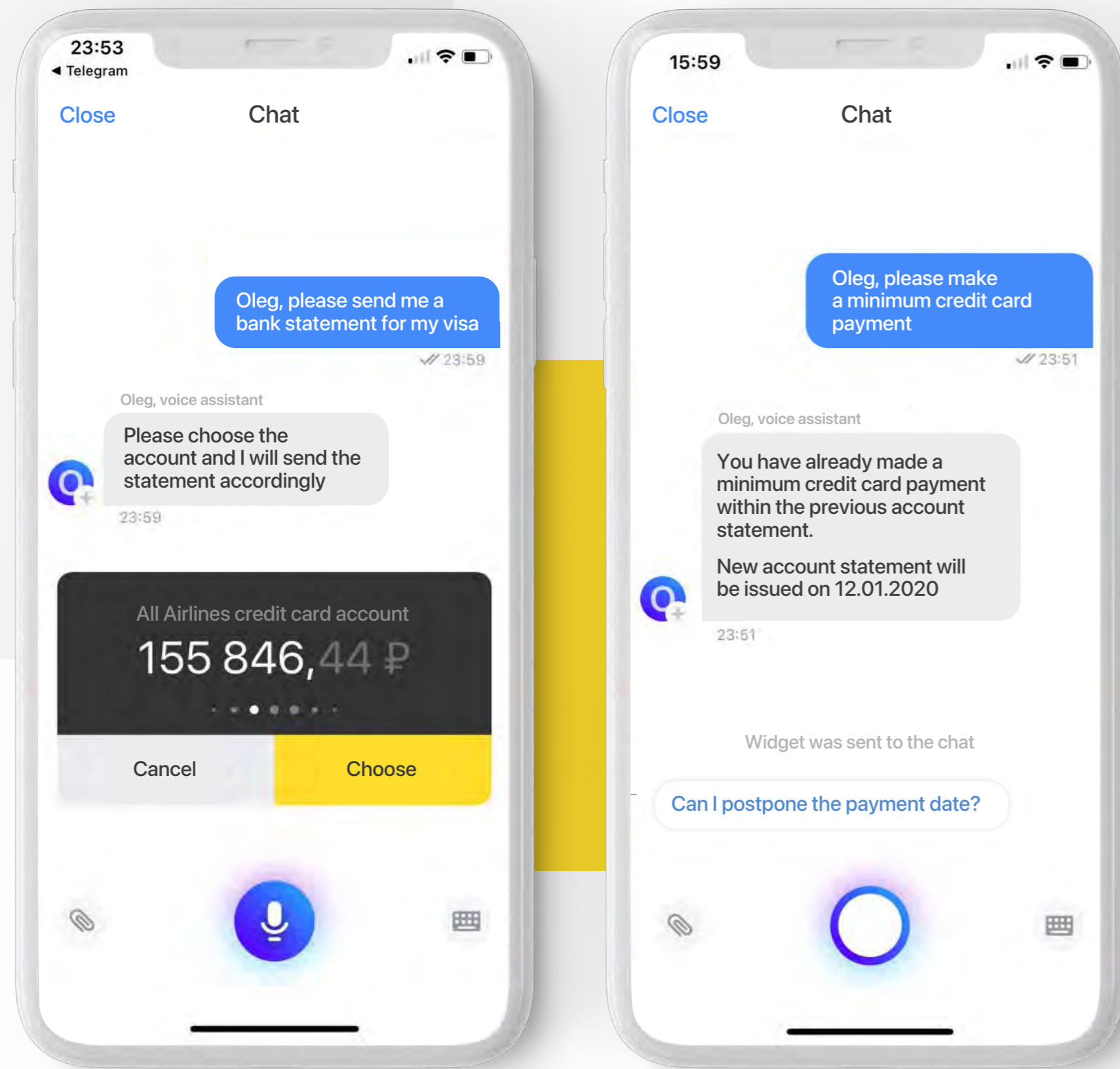


The **AI Bank** automates and simplifies investing

- Risk profiling
- Portfolio auto-rebalancing
- Automated reinvestment
- Tax optimization
- Auto-follow



The AI Bank is powered by Oleg – our voice assistant

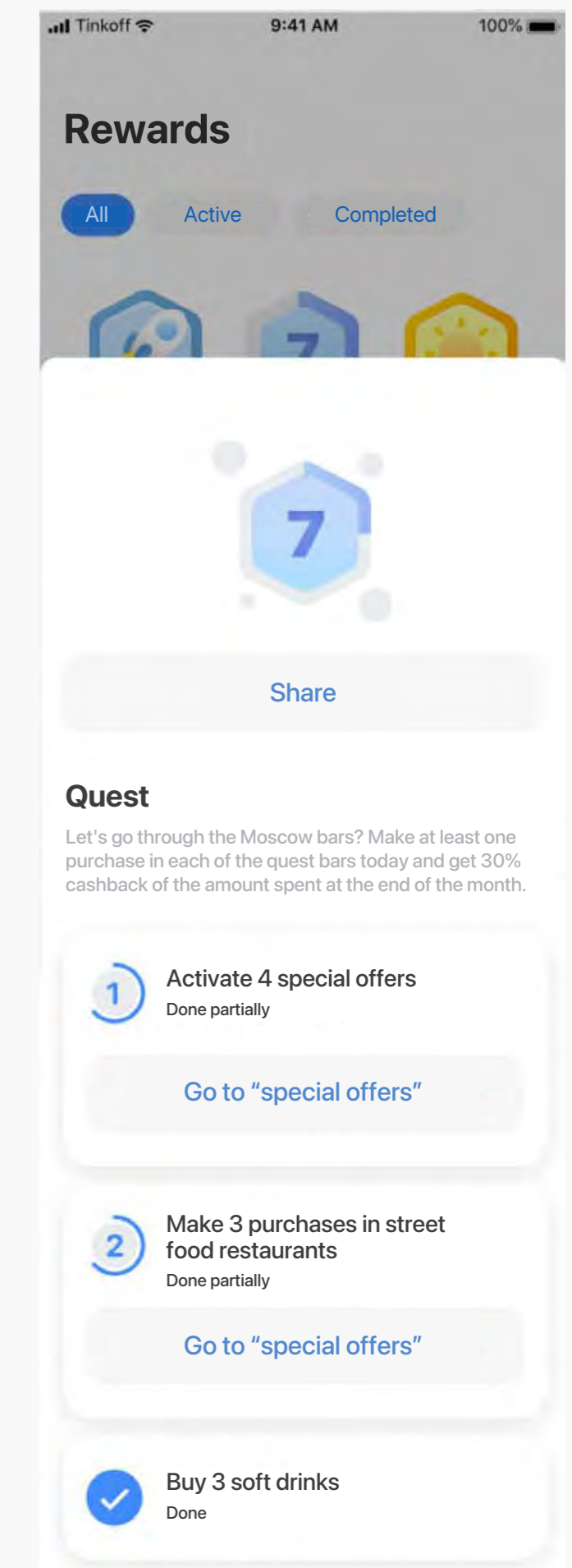
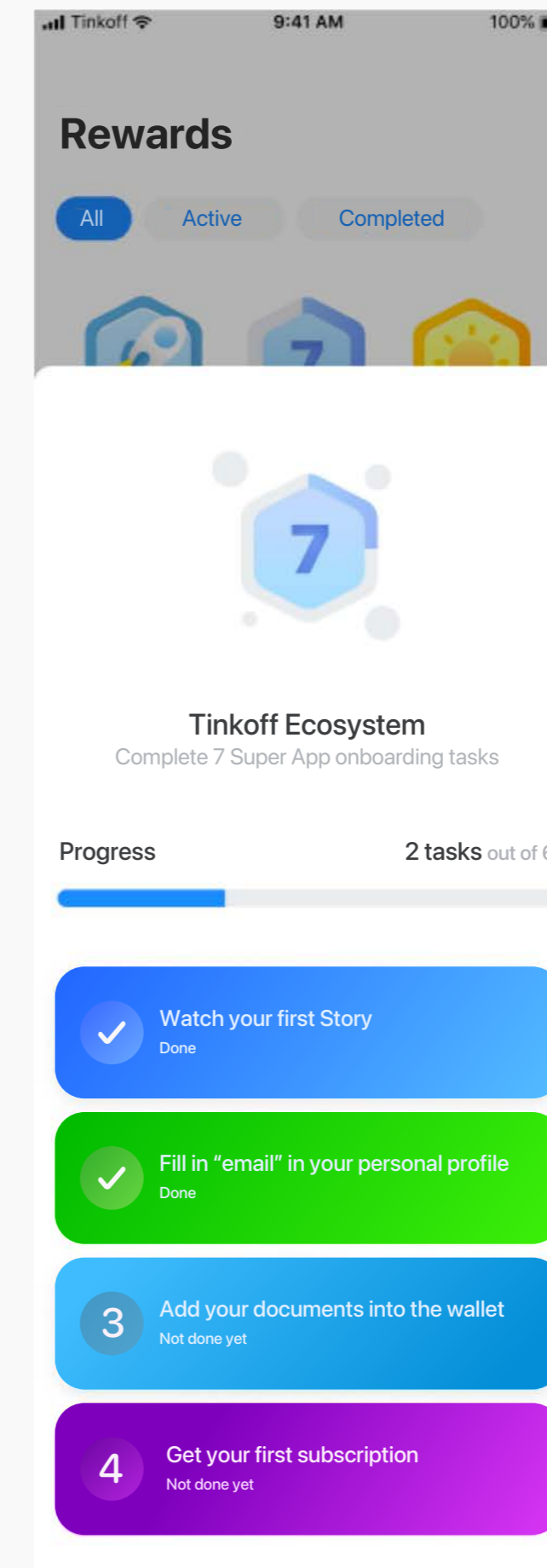


- ✓ Automates customer support
- ✓ Helps navigate the super app
- ✓ Helps customers engage with us as more than a bank
- ✓ X-Sell through personalized recommendations
- ✓ Helps to save and earn money
- ✓ Systematically organizes customer finances
- ✓ Provides customers with a new type of UX

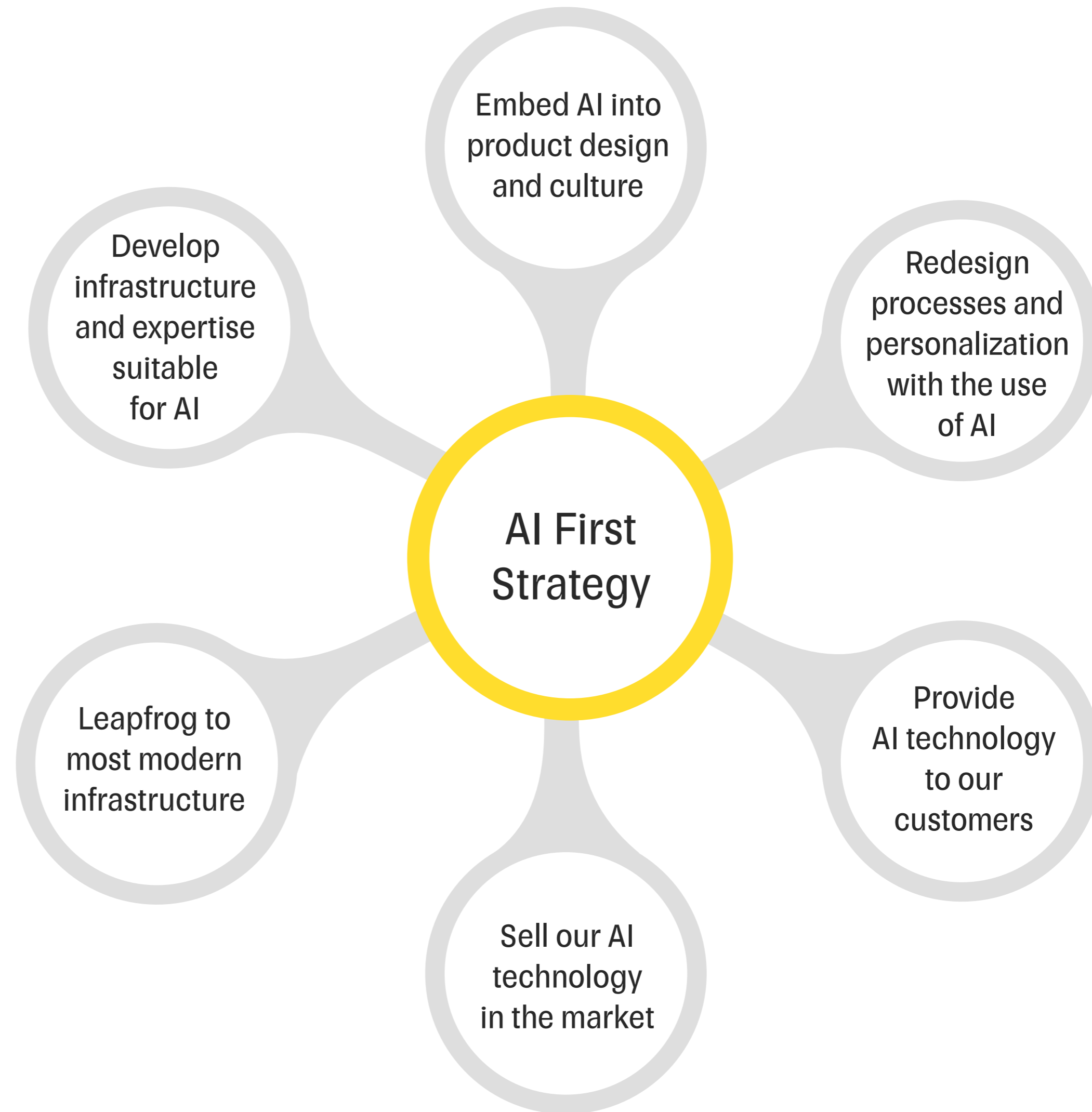
1.5m MAU in December 2020

The AI Bank leverages gamification and both user and brand generated content

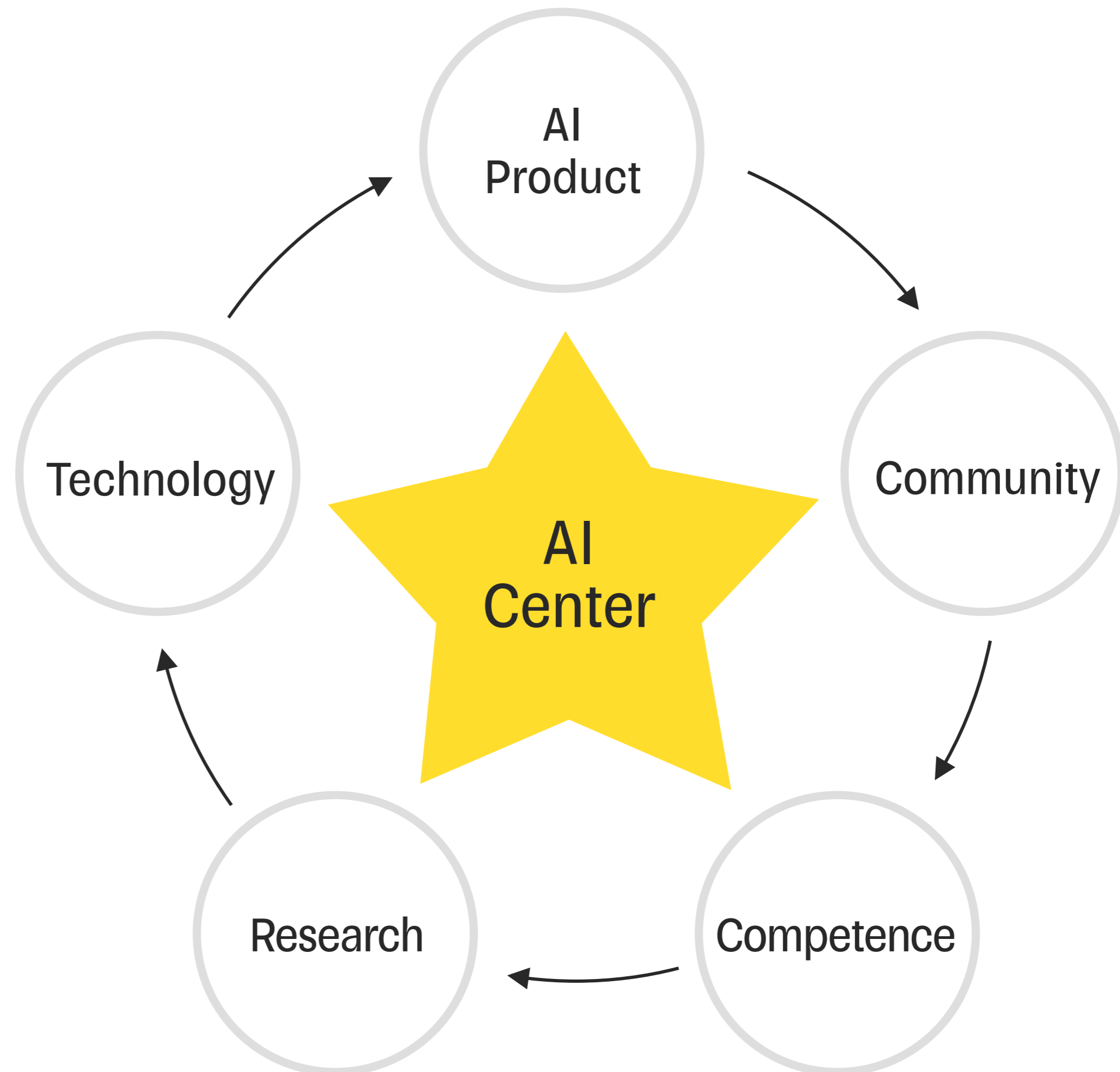
- ✓ Makes the super app intuitive
- ✓ The «Instagram» for finance and lifestyle: and endless feed of tips and purchases
- ✓ Benchmarks against other customers: how people with similar wealth and lifestyle live, spend, accumulate and invest on average
- ✓ The goal of gamification is to drive engagement
 - Increase awareness of the ecosystem's capabilities through onboarding tasks
 - Increase retention, service penetration and transactional activity by granting awards for the use of products
 - Increase virality by letting customers share fun rewards, purchases, smart spending actions



AI Banking = AI First Strategy



AI — core
competence
for an innovative
company





**We have the technological know-how
to become the “AI Bank”**



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We have the infrastructure to become the “AI Bank”: Kolmogorov AI platform

”Kolmogorov” top #9 Russian Supercomputer
by <http://top50.supercomputers.ru/>

Only fintech company among BCG’s Top 100 Emerging Market Companies claiming global tech leadership

Developed full-scale
AI capabilities

=

Competitive advantage
for the next decade

✓ Growth

With hyper-personalization

✓ Better risk management

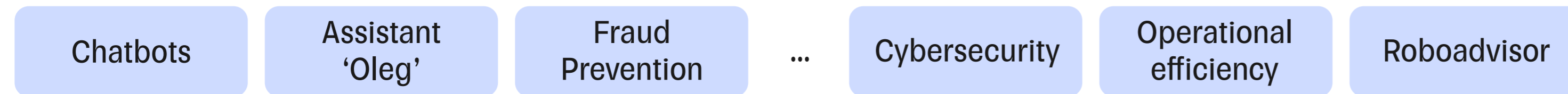
By machine learning
and transaction surveillance

✓ Increasing efficiency

Enabling robotic & autonomous
decisions

We have the infrastructure to become the AI Bank: Kolmogorov AI platform

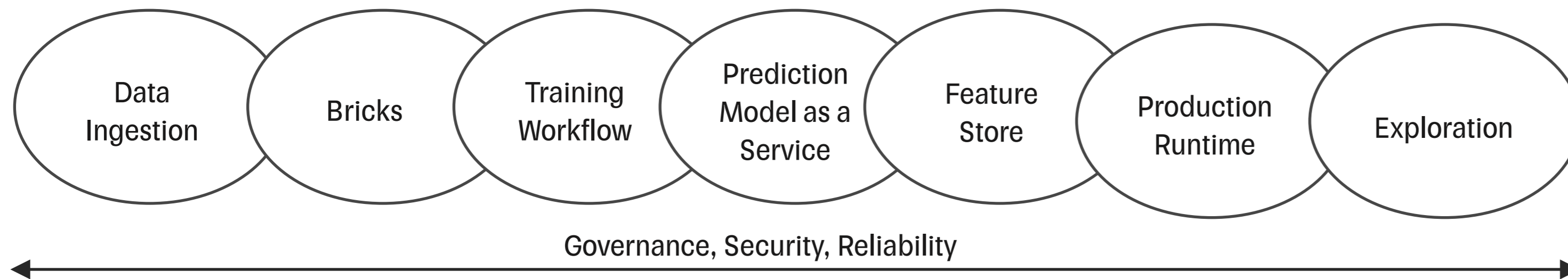
Use cases



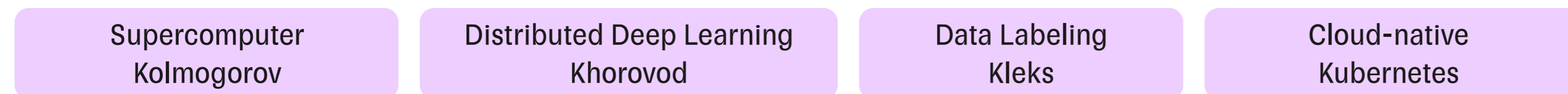
Artificial Intelligence Platform



Platform Engines



Foundation Services



Complicated
tech diagram to
show you we mean
business

The advantages of an AI platform



Efficiency
and productivity



Vendor friendly



Governance



Flexibility



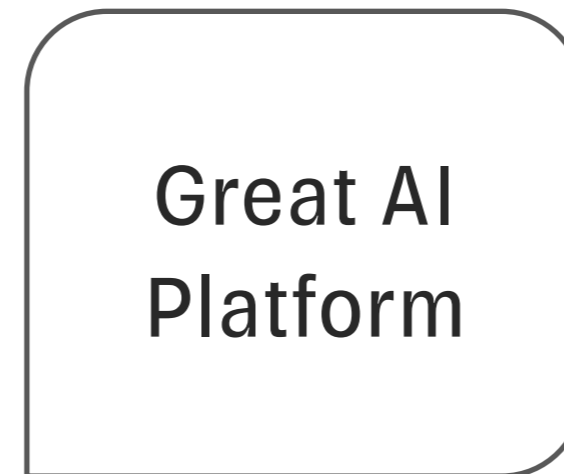
Security by design

To be adopted, AI needs to be made simple

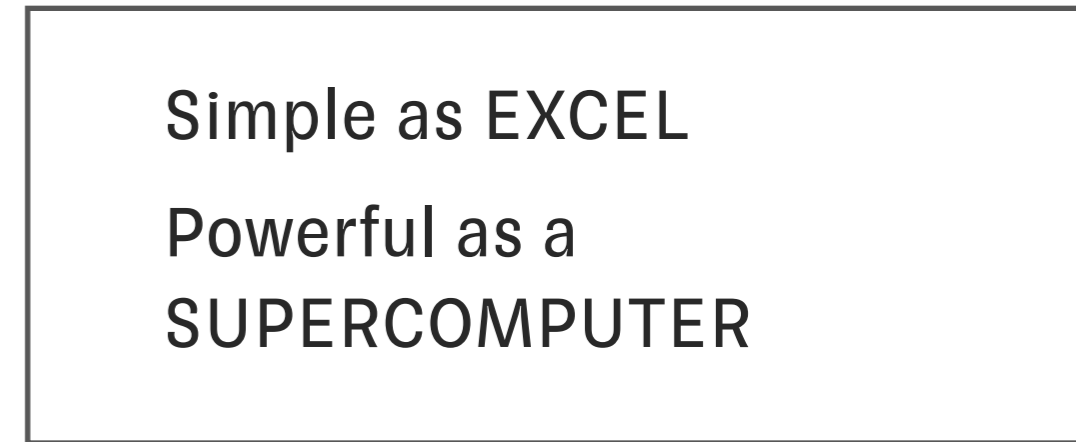
How do we make sure AI becomes engrained in the way we do business?



Easy to use for developers, data scientists, data engineers



Accessible to all decision makers – product managers, designers, analysts





Our AI skillset – in practice



AI use case #1 – Sage

Sage is the future of IT Operations, combining algorithmic and human intelligence to provide full visibility into the state and performance of the IT systems that businesses rely on

Data-driven future

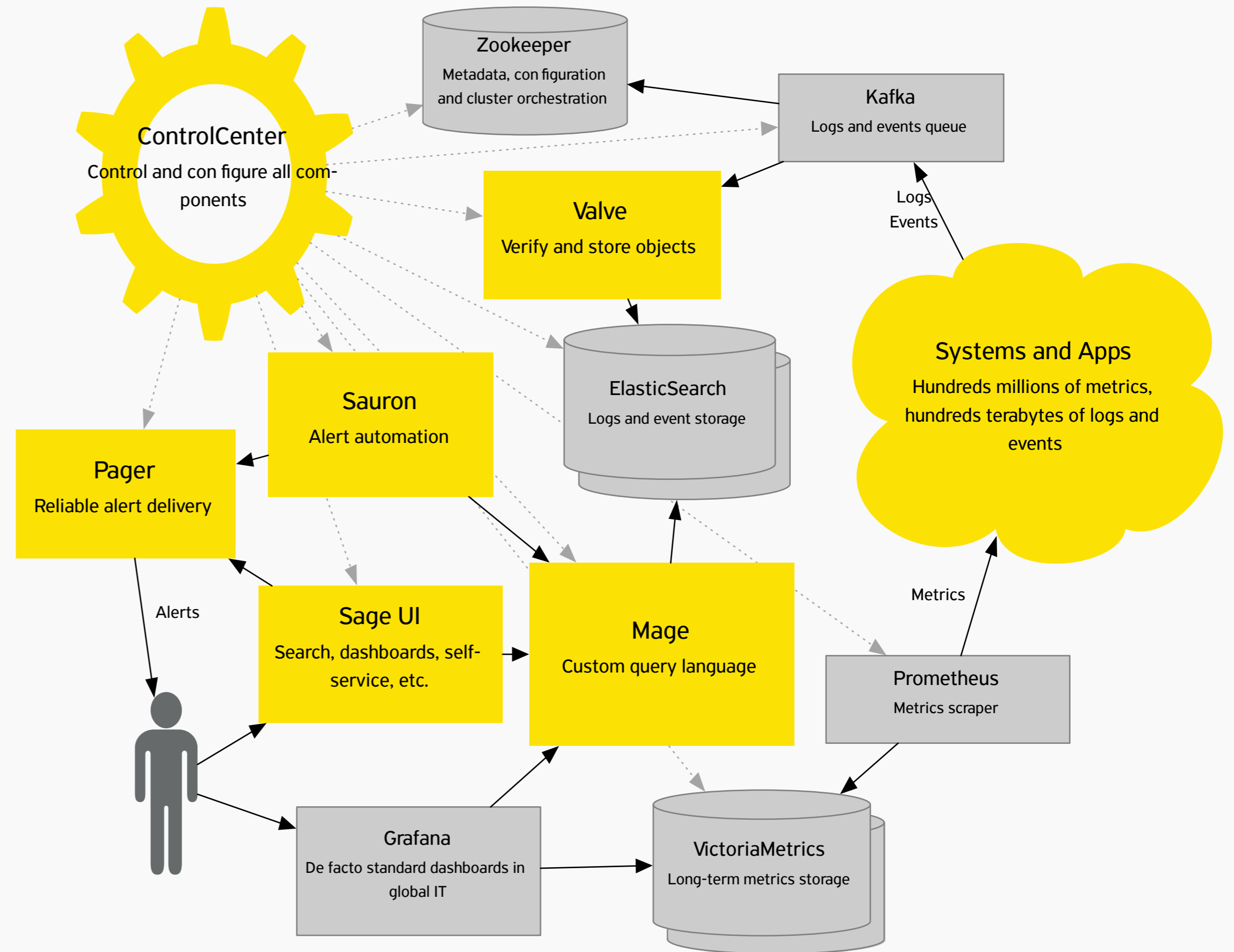
Consolidates data for AI in real-time

More uptime and better competitive edge

Predicts and prevents issues before they occur

Higher operational visibility

Real-time monitoring to improve delivery of applications



Next gen Tinkoff Cybersecurity

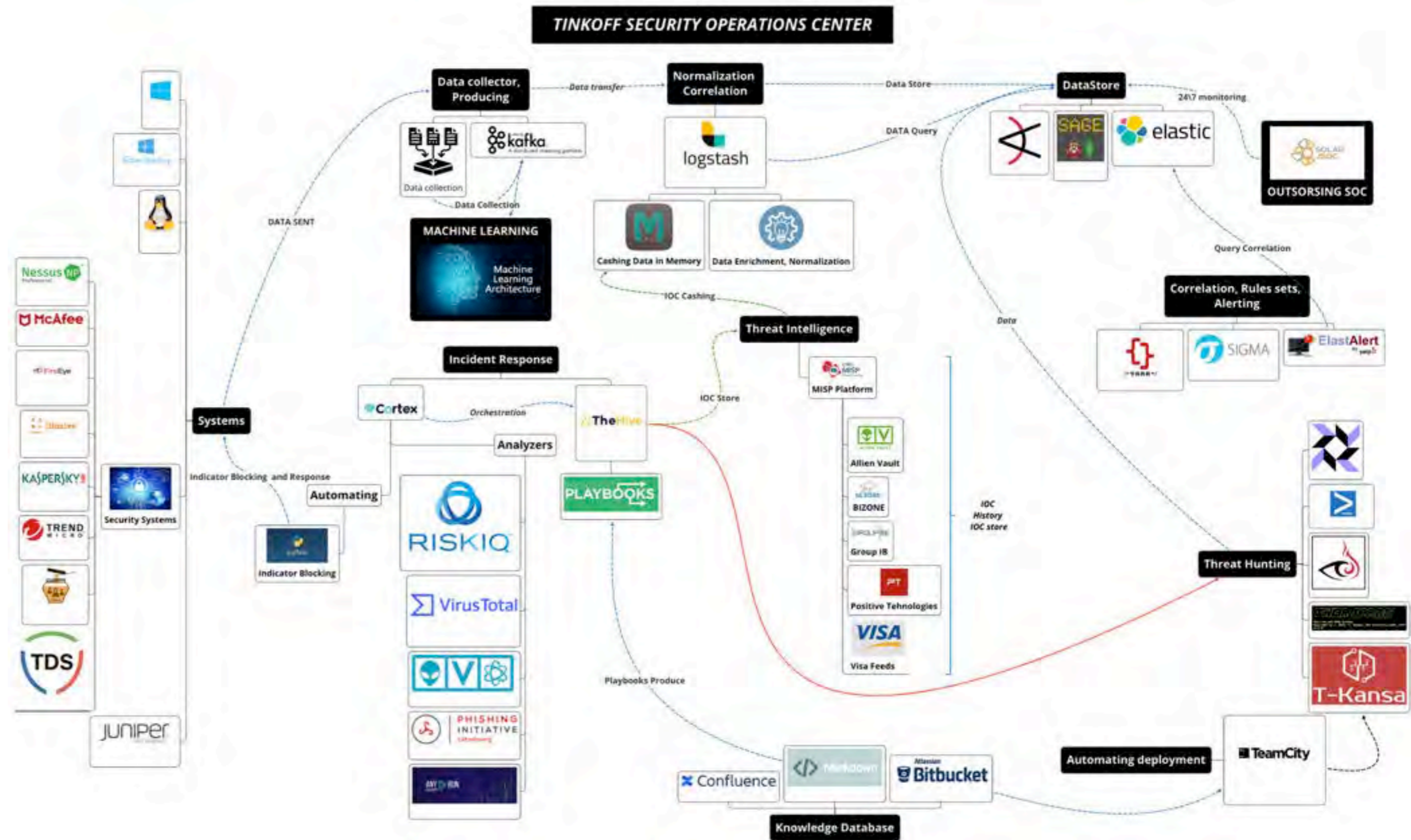
Safe, forward looking

AI-Based detection:
system monitors data and behavior from within the organization to identify anomalies

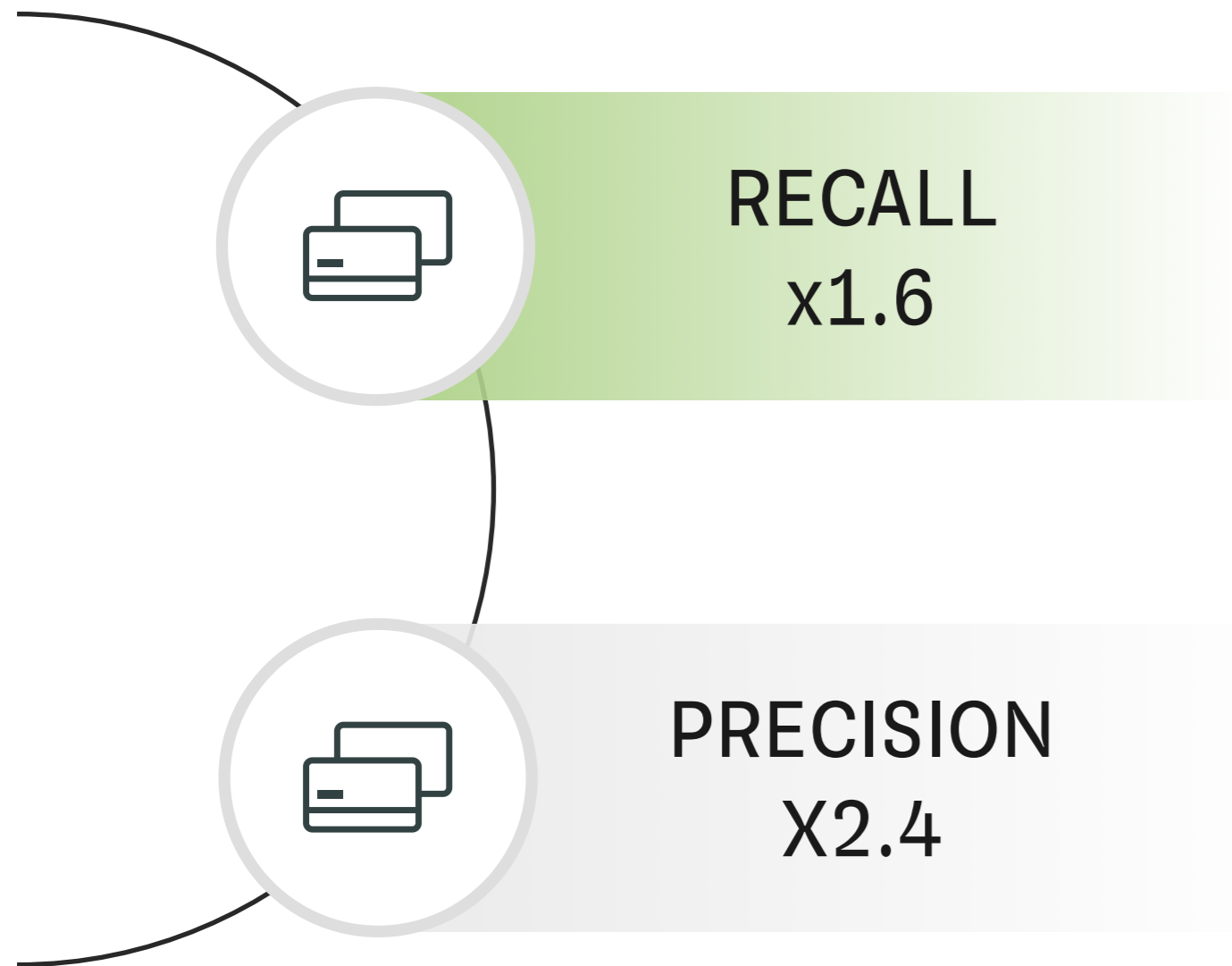
Robo-response:
reduces threat detection and response time, helps to stay compliant with regulators, minimizes human interaction

Zero-trust architecture:
don't trust anything inside or outside perimeters and verify everything trying to connect to its system

AI use case #2 – Cybersecurity App



AI use case #3 – Anti-fraud App



What?

Enables us to detect fraud across our millions of retail and hundreds of thousands of SME customers in spite of constantly changing fraud patterns

How?

Precalculates hundreds of potential patterns and features, leveraging constantly growing transaction histories for each customer

What does it lead to?

A model that constantly improves, is never interrupted (fault tolerance), does not decline in predictive power (low degradation), and that responds extremely swiftly (<1ms response time)

Recall: high recall indicates the model is able to successfully identify relevant results without mislabeling them as irrelevant

Precision: high precision means having a high measure of relevant results returned with limited irrelevant results

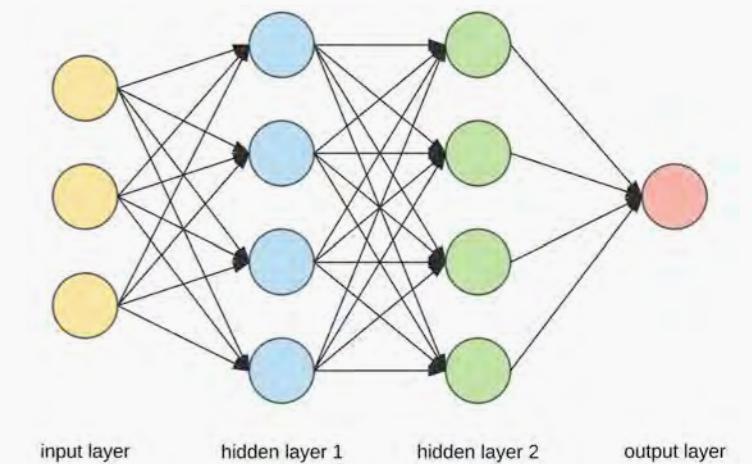
AI use case #4 – Voice Kit

We had a brilliant R&D team, 80+ GPU cards, more than 15,000 hours of audio, tens of thousands of hours from our call center... Supercomputer "Kolmogorov"... and also an announcer who was ready to record speech during 5 months for synthesis. We worked for three years, marked over 4,500 hours of audio and trained deep neural network models.

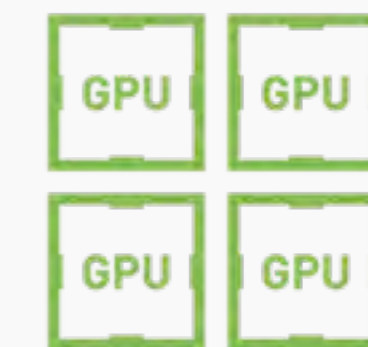
Dataset	Tinkoff	Comp. #1	Comp. #2
Financial Questions	15.7	22.2	39.5
Mobile Network Questions	15.2	23.5	32.7
Questions to Oleg financial assistant	4.1	5.6	5.3
General knowledge questions	8.3	9.8	10.8

The lower the Word Error Rate (WER), the more accurate the speech recognition software

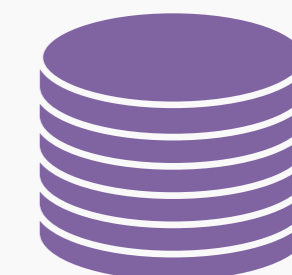
Deep neural networks



Real-time inference

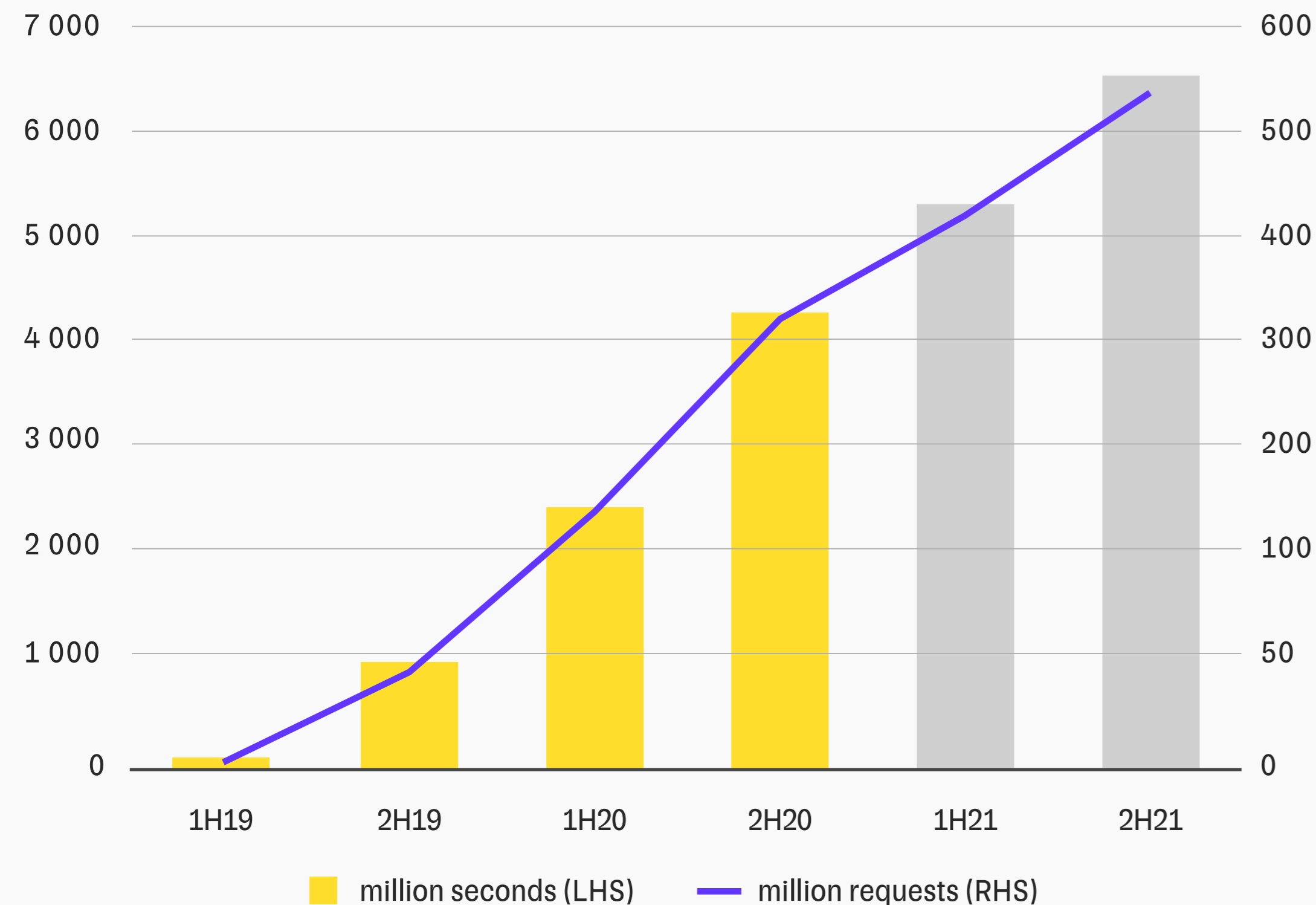


Multi-terabyte datasets



We see demand and potential to monetize our internal technology

Tinkoff Voice Kit



A large, faint, 3D-rendered graphic in the background consisting of several white, geometric shapes. On the left, a tall, thin rectangular prism stands. To its right, a larger, more complex shape resembling a stylized letter 'A' or a stepped pyramid is visible. Further right, another tall, thin rectangular prism stands, topped with a white sphere. The shapes are rendered with soft shadows and highlights, giving them a three-dimensional appearance.

**AI will help us enhance our risk
management practices**



Our face recognition solutions



Tinkoff Crater

face biometrics service that can match faces in photos to detect fraud

High Quality

- out of 1,000,000 pairs of different faces, on average, 99.2% pairs are correctly marked as coincident

High speed on large databases

- capable of processing 300,000 requests per hour, response within 0.5 seconds, with speed increasing with size of the database

Flexible

- built into the ecosystem, quickly adapting to the needs of business processes



Tinkoff Lava

liveness detection service. Identifies from video whether a person is alive or is it a fraudulent attack

MVP stage

- our solution is already comparable to other market solutions

Our face recognition solutions: applications

How we apply Tinkoff Crater and Tinkoff Lava

Current usage

— Incoming applications (fraud detection, only Crater)

Immediate plans

— ID verification in mobile applications + fraud identification

— ID verification at an ATM

— Onboarding for T.Mobile
(matching of the client's photo with the photo in his passport)

— Collaboration with Equifax

Medium-term plans

— Office pass

— Service for the external market

— Unified multimodal authentication service (photo, video, voice)

Transaction scoring

Static, Longer-term scoring

- Socio-demographic variables
- Credit Bureau data
- Mobile and internet usage
- Workplace data

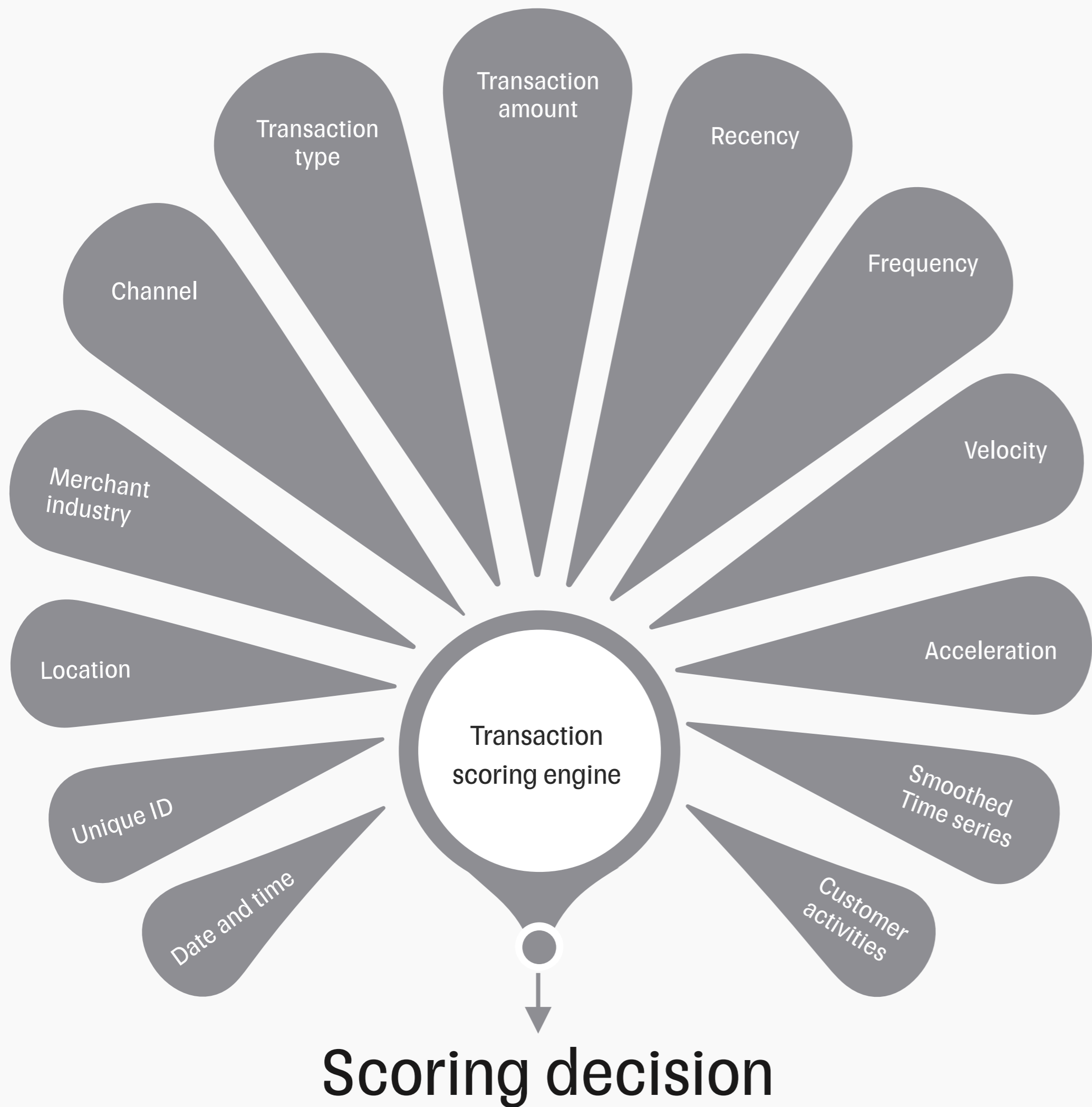
Longer term predictive power

Dynamic, Transaction scoring

- Practically real time data
- Change in transactional patterns can inform risk assessment and containment

Shorter term predictive power

Transaction scoring: what data is important?



Credit Line Increase Programme
proactive and reactive limit changes, customers with frequent purchases and high revolve rates may get faster credit limit increases

Cross-sell
create micro-segments based on spending categories to align with products/features/loyalty programmes

Profitably

We are committed to generating substantial earnings that can compound predictably for many years



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**Profitability is at the core
of our business**

Sustainable

Substantial



We have a track record of substantial profitability



56% average ROE
in 2017-20



38% EPS CAGR in 2016-20,
with no downturn years



Always profitable since
2009 in spite of three
crises

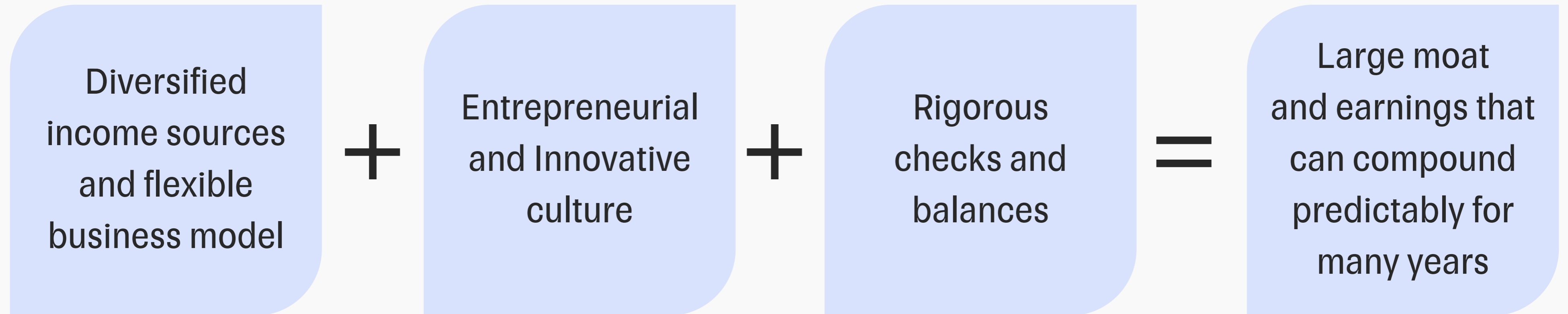


NPV approach ensures at
least 30% return on capital
is targeted through the
cycle



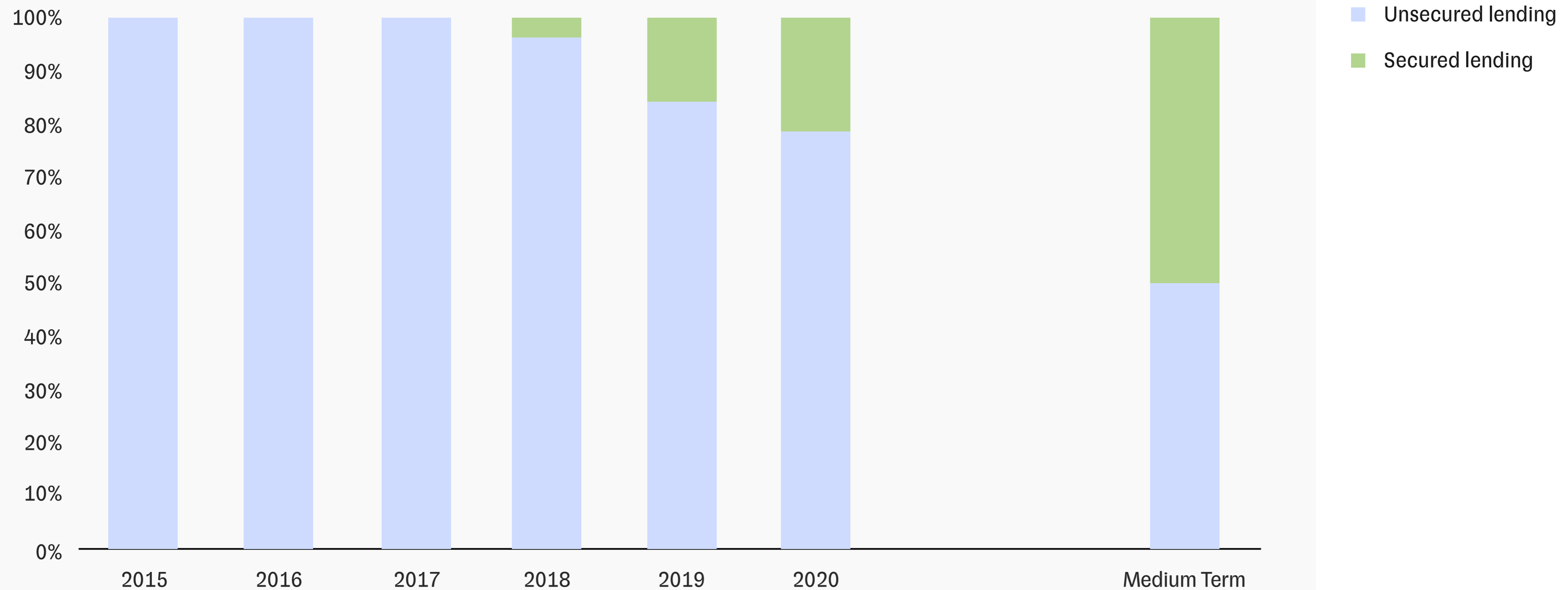
Disciplined and systematic
internal monitoring of all
profit drivers, with individual
businesses assessed with
stand-alone P&Ls

What makes our profitability sustainable?

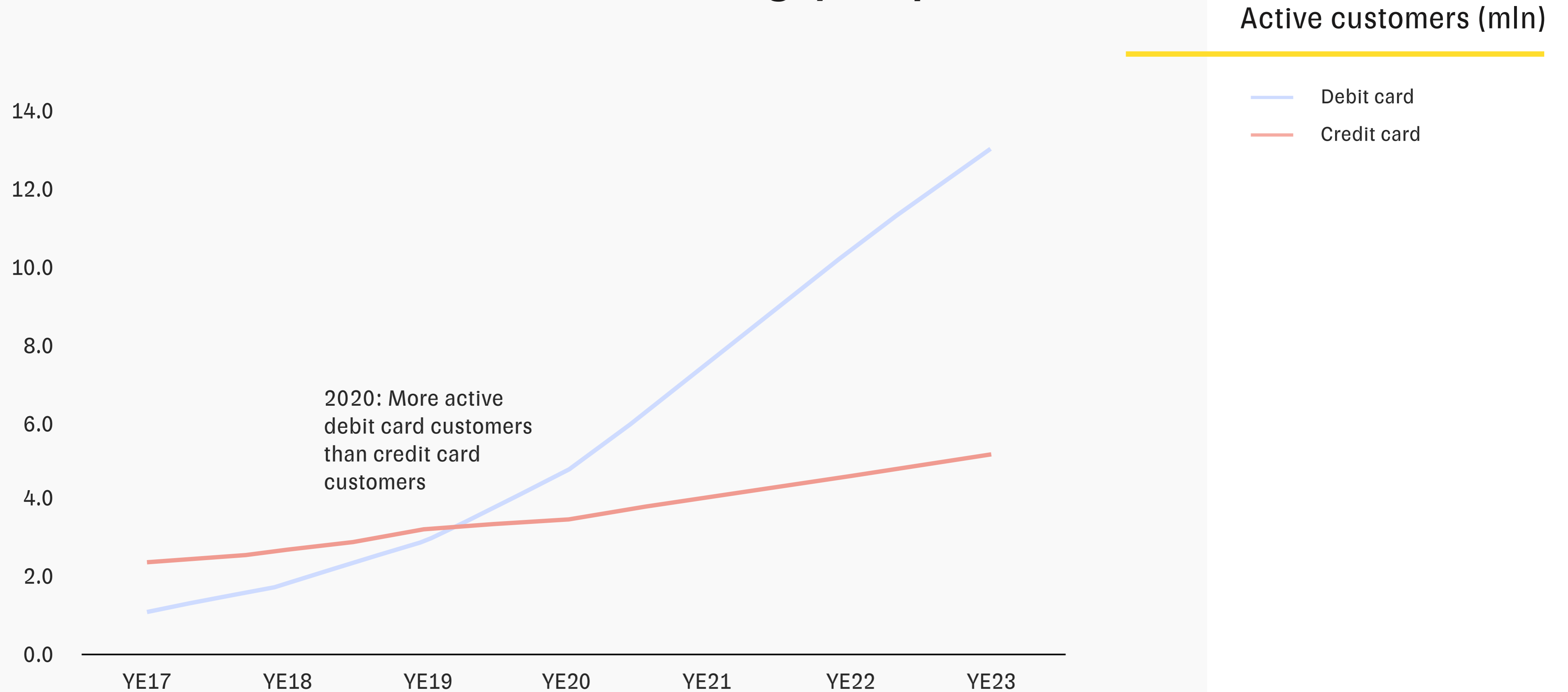


Diversified and flexible business model: our credit portfolio is increasingly diversified

Net loan book breakdown

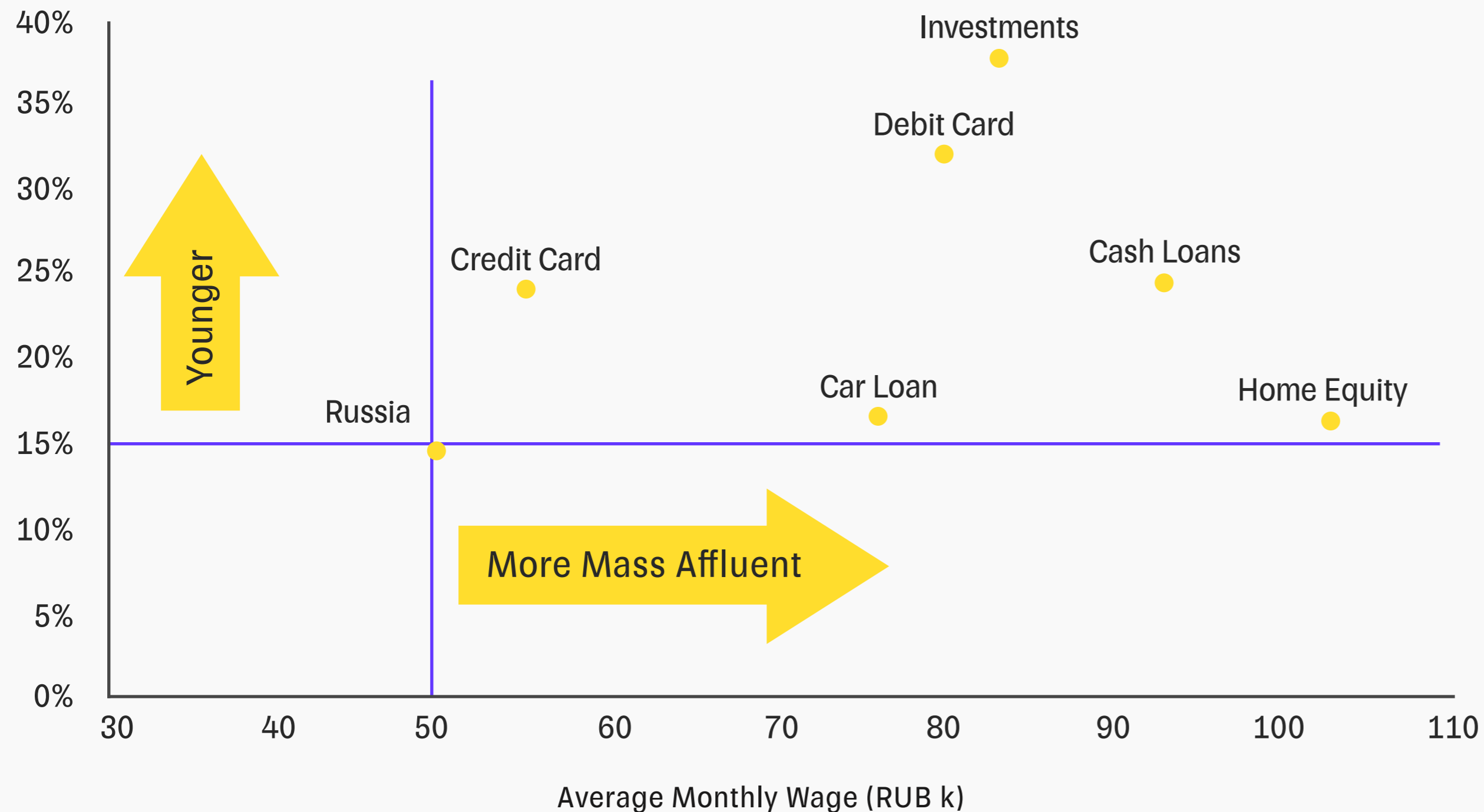


Diversified and flexible business model: our non-credit business is increasingly important

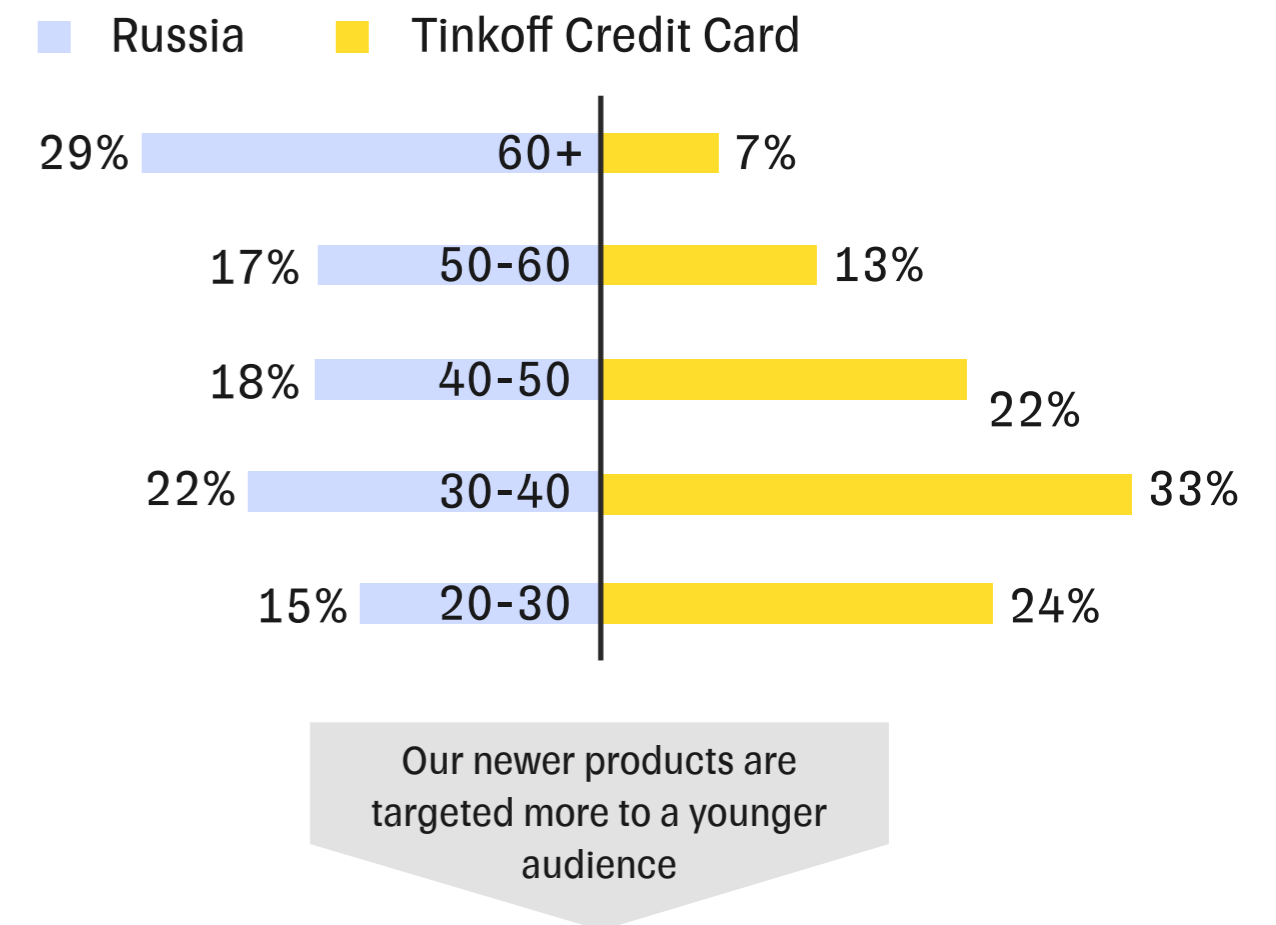


Diversified and flexible business model: our customer base is expanding towards younger, mass affluent segments

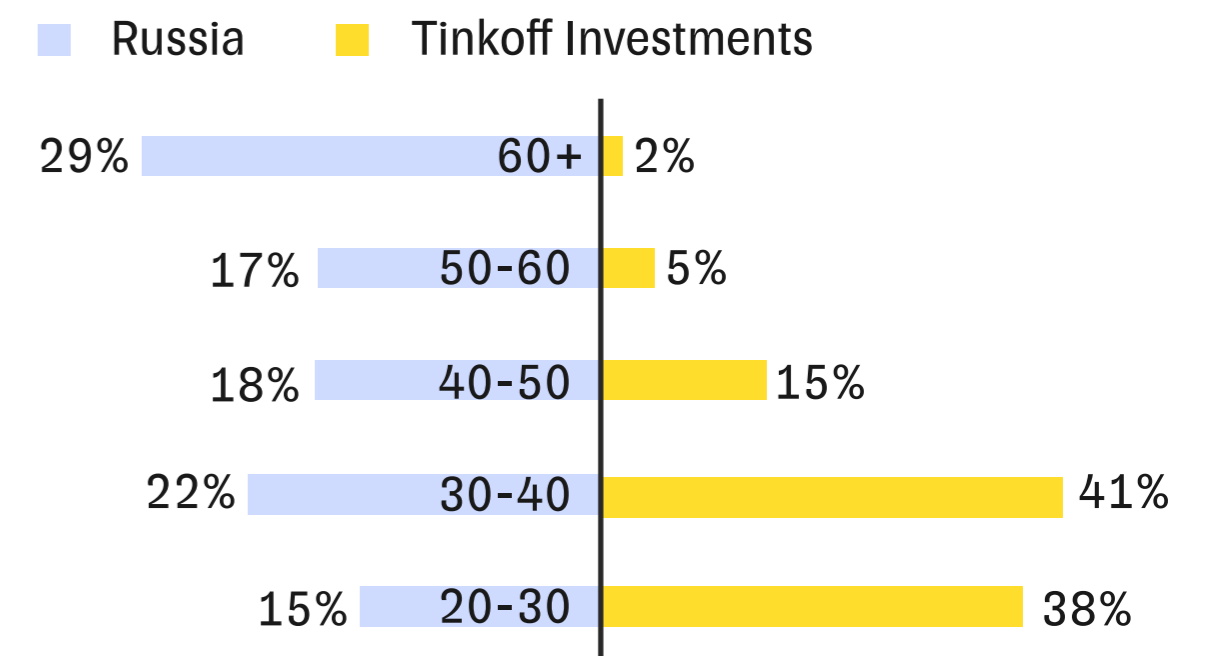
Share of 20-30yo in 20yo+ population/customer base



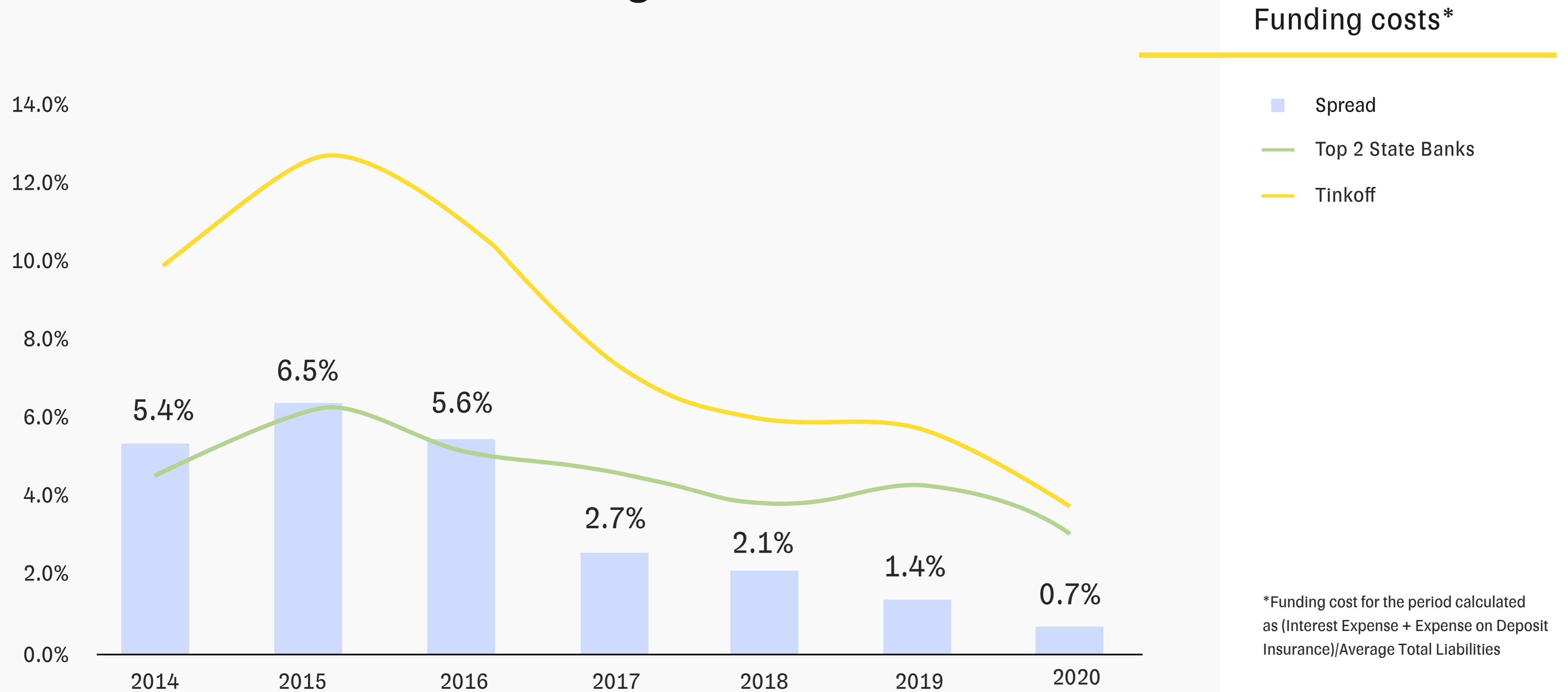
Demographic distribution for 20+ years old



Demographic distribution for 20+ years old



Diversified and flexible business model: funding has ceased to be a binding constraint



*Funding cost for the period calculated as (Interest Expense + Expense on Deposit Insurance)/Average Total Liabilities

Diversified and flexible business model: ability to swiftly adjust business to economic reality

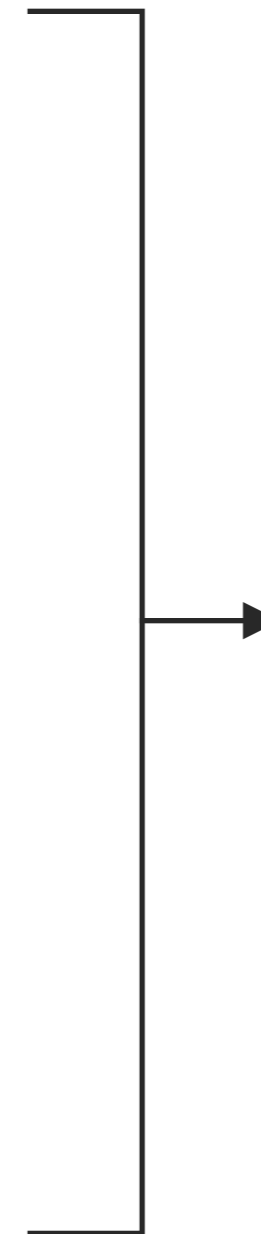
Best-in-class digital acquisition and servicing channels

Large share of variable customer acquisition costs

Flat organizational structure with quick decision making and high degree of delegation

Innovative culture: our Tinkoff DNA differentiates us

- We work for our customers → The customer is our employer
- We are all in the same boat → We win and lose together
- We set trends → We are not afraid of making mistakes. We learn from them
- We consider the company to be ours → We do not divide duties into important and unimportant
- We love what we do → We are driven by results and exceeding expectations



Another enabler for our AI Bank vision

Rigorous checks and balances: clear capital management priorities

Our capital priorities

Capital Priority 1

— Stay >200bps above minimum N1.1* requirement



Capital Priority 2

— NPV positive growth



Capital Priority 3

— Cash returned to shareholders

*N1.1 is the CET1 equivalent for Tinkoff Bank subsidiary under statutory (Central Bank of Russia) capital requirements

Right checks and balances: corporate governance improvements and ESG focus

1

Collapse
of double share
class

2

Improved
segmental
disclosures to
reflect evolving
nature of
business

3

Board of
Directors
revamp

4

Increased
commitment to
sustainability
practices and
disclosures

Our 2023 strategic objective

Grow our customer base **profitably** by building the most



Comprehensive



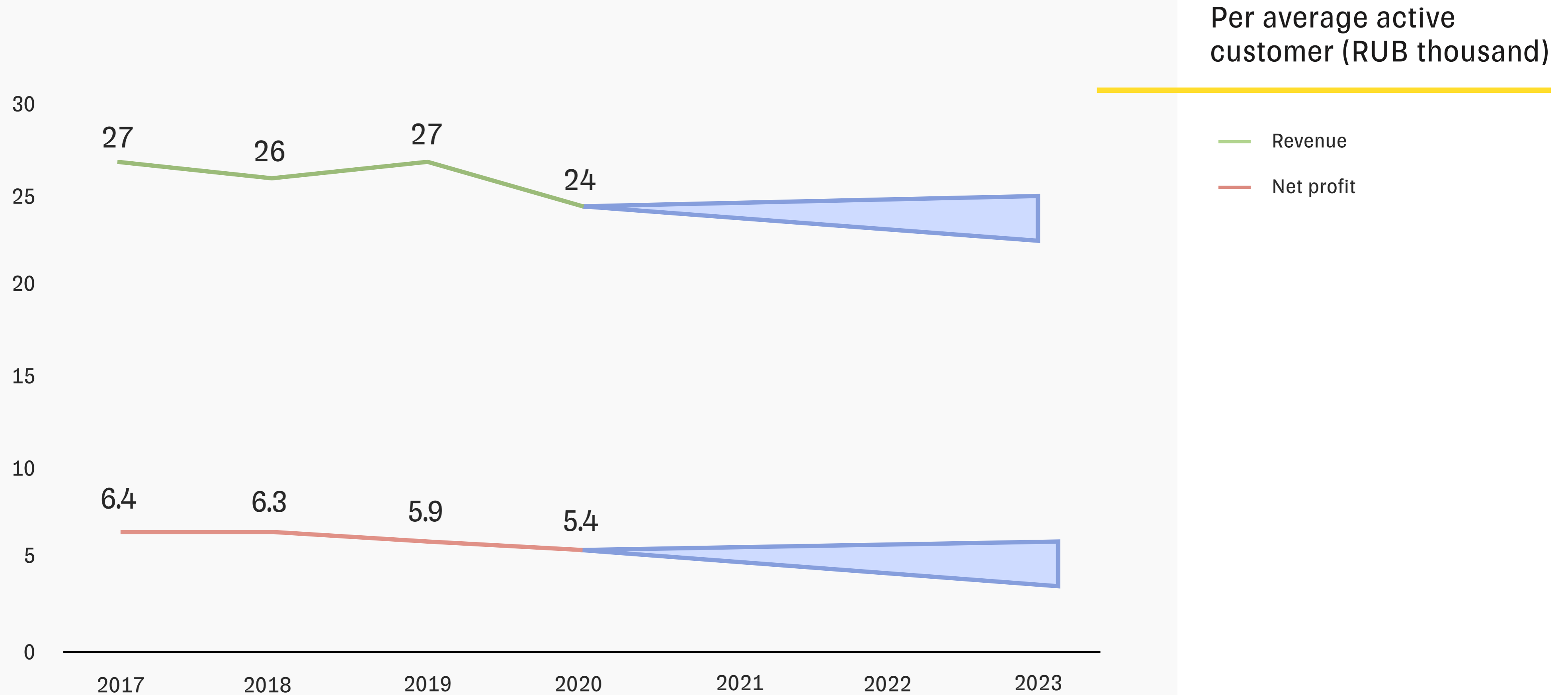
Engaging



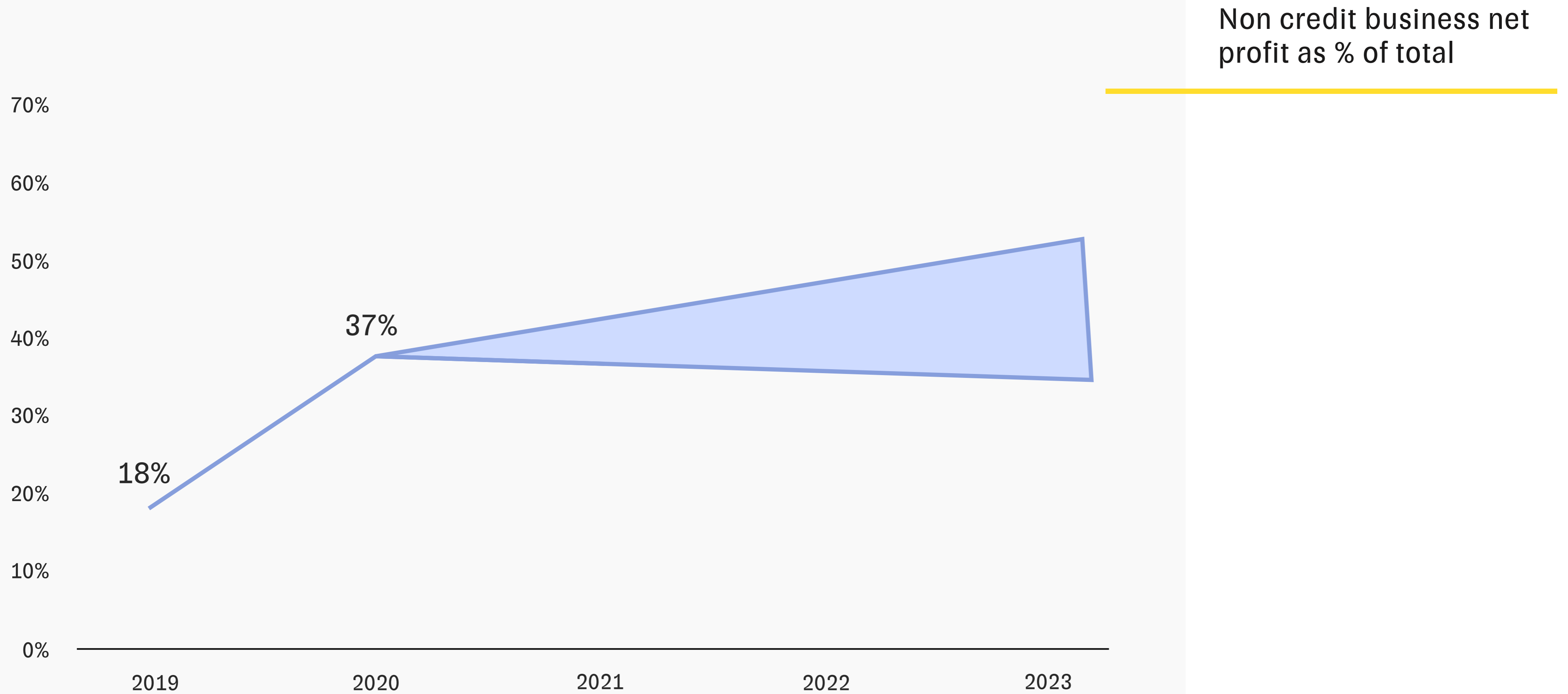
Innovative

Financial and lifestyle ecosystem in the world

We aim to maintain strong unit economics...



...With growing share of non-credit profit



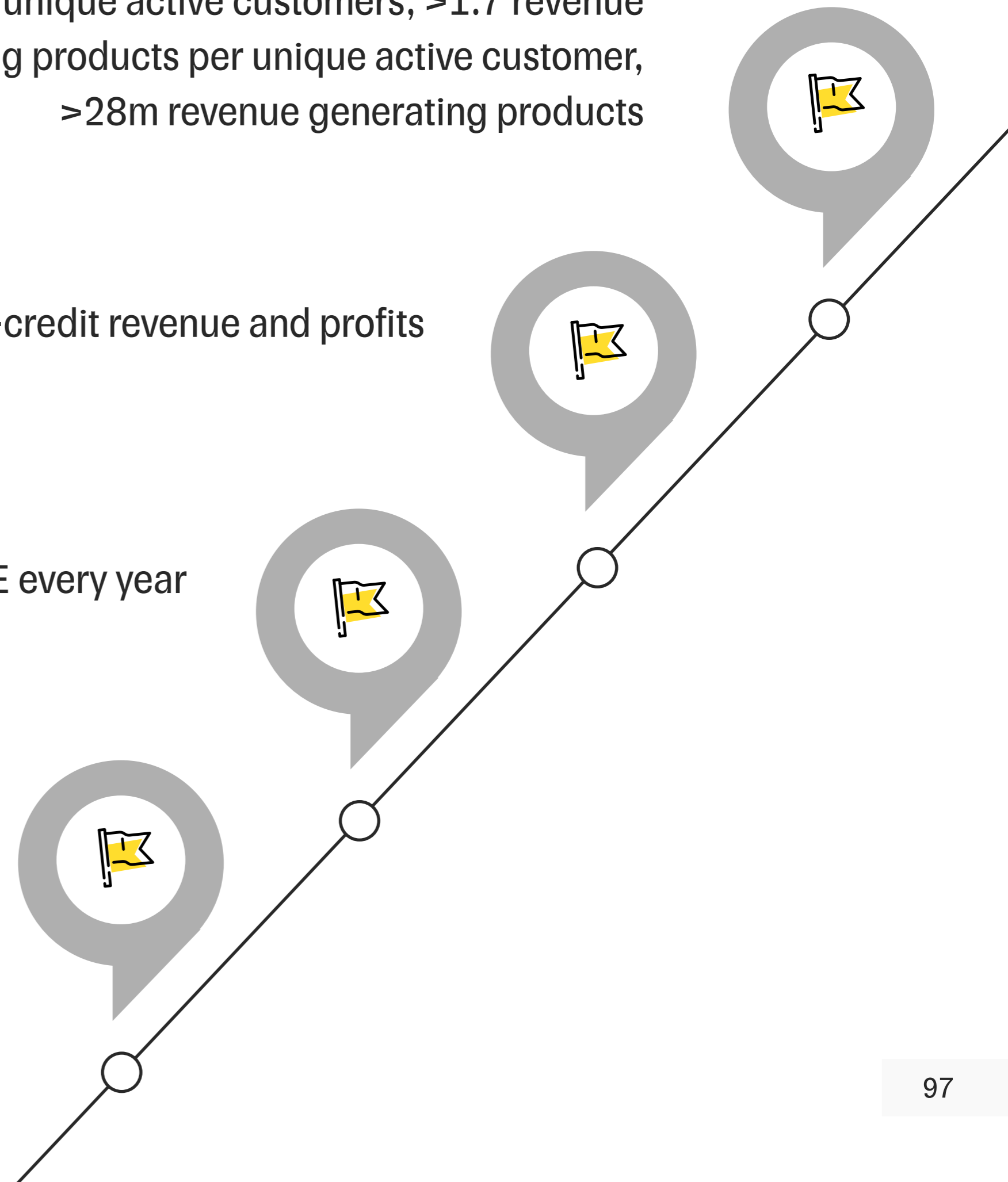
2020-2023 guidance

>20% net profit CAGR to over
RUB 75bn (\$1bn) in 2023

>30% ROE every year

Growing share of non-credit revenue and profits

>16.5m unique active customers, >1.7 revenue
generating products per unique active customer,
>28m revenue generating products



SAM Appendix



For credit products, net revenues are calculated as the overall market portfolio per product, multiplied by NIM less cost of risk



For SME, we estimated the total revenue pool for net fee and commission income and treasury from current account and deposit balances, therefore excluding SME lending



For Acquiring and payments, we estimate the overall card interchange revenue for the market plus the net acquiring margin or take rate on all card transactions except cash withdrawals



For Insurance, we estimate the overall market premia and reduce it by the average market loss ratio, for those products in which Tinkoff is present: Auto, Travel, Accident, Property



For Mobile, we estimate the overall gross margin of all telecom operators



For Brokerage & Wealth management, we estimate a revenue yield on the total AUC that is held in brokerage accounts or in managed accounts



For retail current accounts, we estimate a certain treasury spread over the funding cost, plus any fees that may be associated with the current accounts



For Travel and Ticketing, we estimate a take rate on all expenditures by Russians on flights, hotels, trains, and tours

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