



INVESTOR PRESENTATION

September 2022

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Dynamic digital bank as fintech segment of Russia's largest telecom operator

Key facts about MTS Bank

- MTS Bank is a subsidiary of Mobile TeleSystems (MTS), Russia's largest mobile network operator with an ecosystem encompassing 80 million users.
- The bank's primary target market is the rapidly growing Russian retail lending and daily banking segments, which remain underpenetrated with a long runway for continued growth. Estimated size of consumer lending market is ~ RUB 26 trillion, 2021 growth rate was 22%.
- The bank's main product line includes POS financing, personal cash loans, credit/debit cards, payment transactions, and services for SME and corporate clients such as factoring.
- The bank's products are actively used by almost 12 mln clients, 3 mln of which are bank clients and 9 mln are users of fintech services.

1ST

in POS loans sales in 2021 according to Frank RG

70%

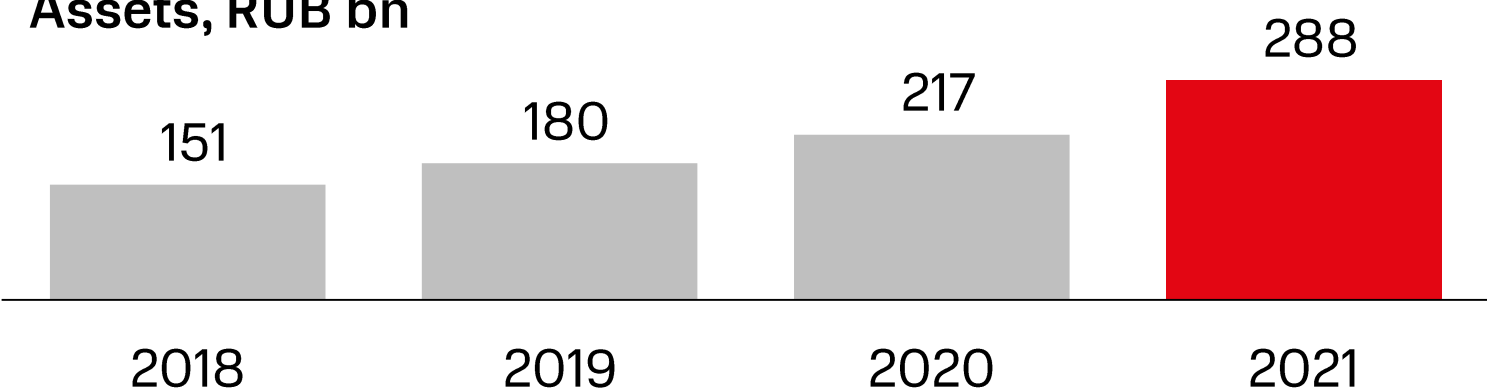
of sales of cash loans through digital channels

3RD

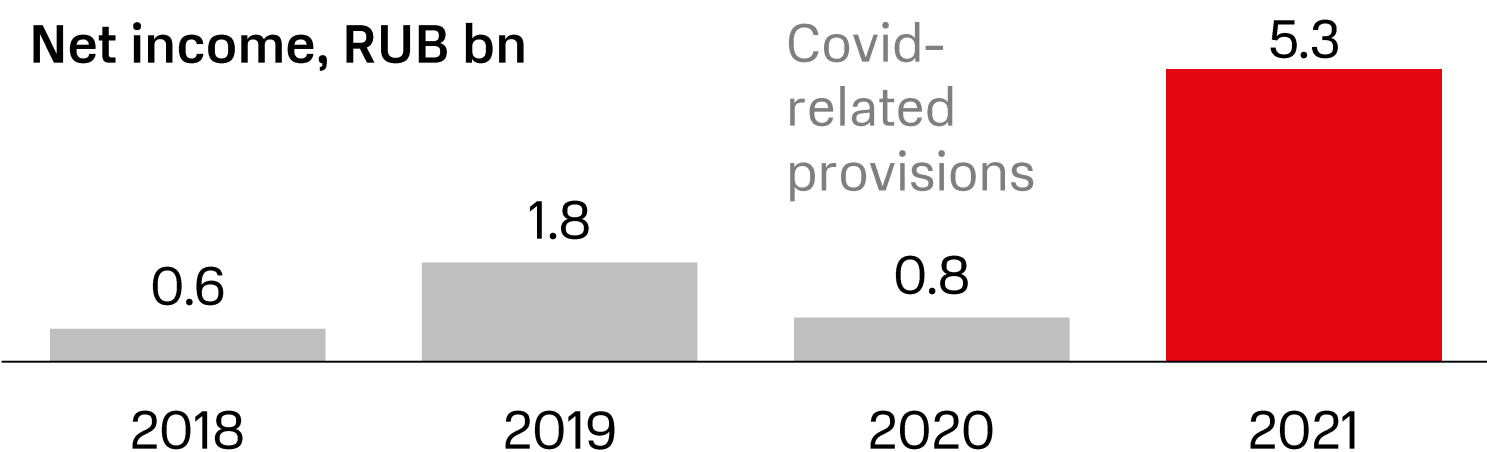
best ecosystem in mobile bank in 2021 according to Marksw Webb report

Key facts about MTS Bank

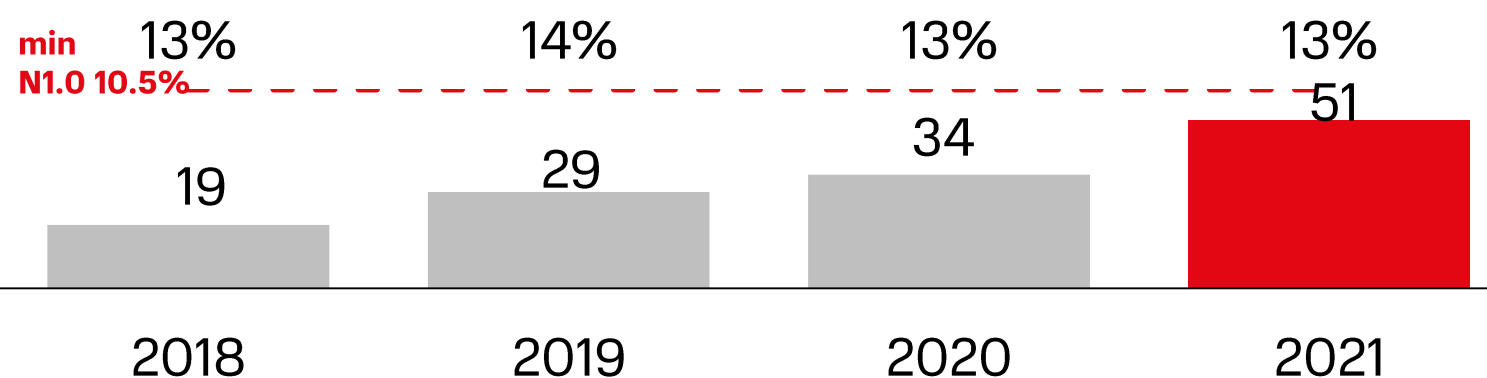
Assets, RUB bn



Net income, RUB bn



Equity and capital adequacy, RUB bn



Expert РЕЙТИНГОВОЕ АГЕНТСТВО

ruA-

HKP

A.ru

1300

ATMs and payment
terminals

104

MTS Bank offices

3600

Employees¹

>5400

MTS retail outlets



1. 4700 including MTS Digital

CORE COMPONENT OF MTS DIGITAL ECOSYSTEM

MTS subscribers, mln people¹

80.4

Total number
of MTS subscribers

MTS ecosystem clients serviced
by the bank, mln people¹



3.0

Bank active clients

8.8

Users of MTS financial
services provided
by MTS Bank

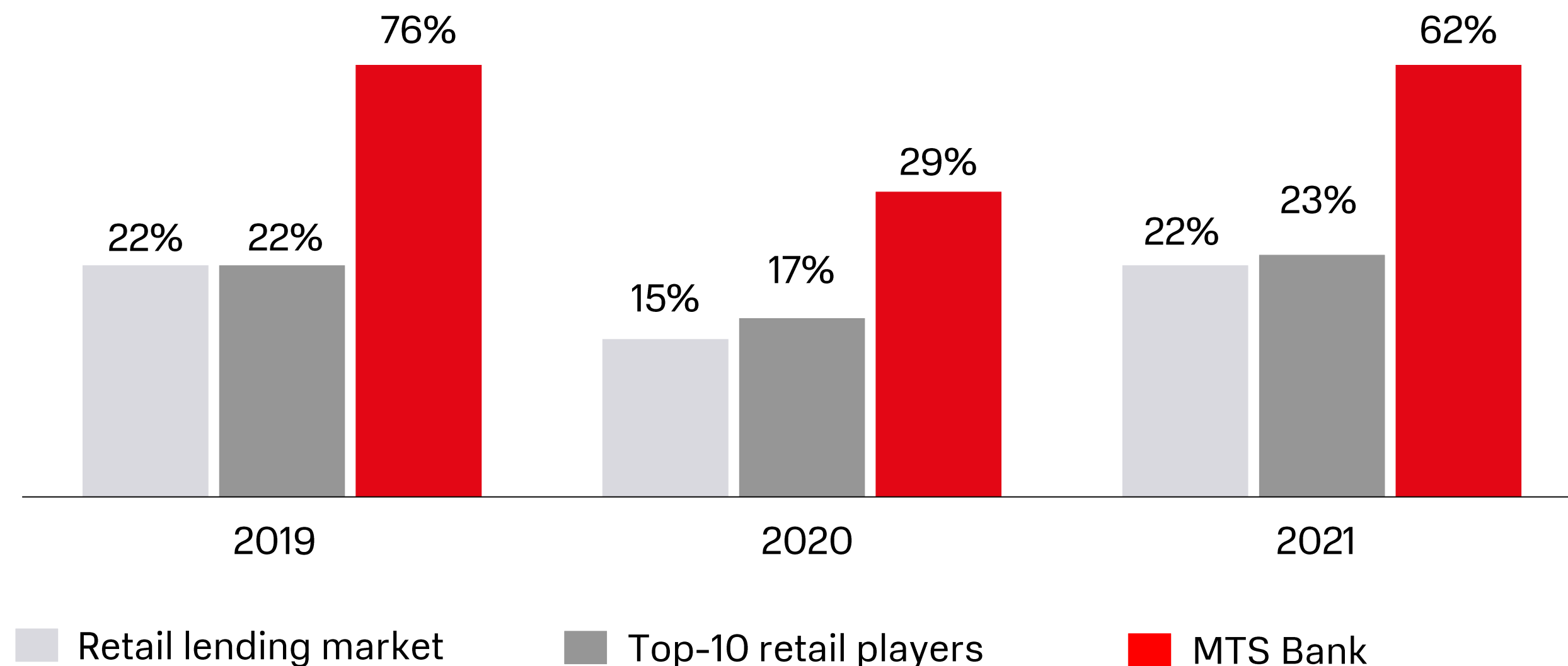
1. As of December 31, 2021

MTS Bank's products and services are key to the MTS ecosystem. The Bank has potential to accelerate growth significantly through synergies with MTS

- Telecom and fintech synergies:
 - MTS Group Big Data improves credit scoring and allows for personalization of credit offers
 - High-frequency omnichannel digital engagement
 - Customer acquisition/service in retail.
- The Bank's offers are broadly presented within the MTS digital channels, for instance the MyMTS app (MAU 25 mln).
- MTS Bank makes sizable contribution to customer lifetime value growth – the key focus of MTS's overall corporate strategy CLV 2.0

TRACK RECORD OF OUTPACING THE MARKET

Retail loan portfolio growth year-on-year, %



Loan portfolio growth accelerators

- Using Big Data tools to create personalized pre-approved low-risk loan product offers for bank clients and MTS subscribers.
- End-to-end digital customer experience with a 2-click product purchase.
- Leading positions in POS financing (first in Russia POS loans sales in 2021). Having fine-tuned the technology in the MTS retail network, the bank extensively develops external partnerships and takes a leading position on this market.

PILLARS OF GROWTH

1

Unique digital products and high quality user experience

- Consumer lending products and services are actively expanding across MTS Group sales channels (retail chain, e-commerce).
- Set of diverse consumer lending products underpinned by daily banking services provided through digital channels:
 - More than 2 million applications per month in 2021.
- Introduction of smart banking, personal finance management offers and investment tools.

2

Digital-first

- 100% digital products for an end-to-end online experience.
- MTS bank's mobile app is among Russia's top-ranked.
- AI-powered recommendations and templates.
- More than half of sales in 2021 are done through digital channels and digital share is permanently growing.

3

Synergies with MTS

- First-class scoring and X-Sell capabilities by leveraging MTS Big Data. We are constantly improving cross-selling system for monetizing and reactivating the accumulated customer base.
- Reinforcement of MTS's product line: bank clients have access to a wide range of MTS products (mobile and fixed communications, KION, Cashback, etc.) – increasing the lifetime and frequency of service usage.

4

Focus on profitable growth

- Smart capital allocation and effective product mix: we monitor the profitability of products and effectively distribute between products ensuring optimal yield.
- Development of transactional business to increase frequency of interaction with ecosystem clients and diversify earnings with less volatile F&C income.
- Diversification of sources of funding:
 - Debut RUB 5bn local bond issued in 2Q21 and RUB 7bn local bond issued in 2Q22.
- Effective cost management: constant decrease of CTI and CAC lower than market leaders'.



To provide customers with unique digital daily banking convergent offers increasing loyalty to MTS ecosystem

88% OF MTS BANK'S OPERATING INCOME COMES FROM RETAIL SEGMENT

Loans

Mortgage

Insurance

Cards

Private banking

Payments and money transfers

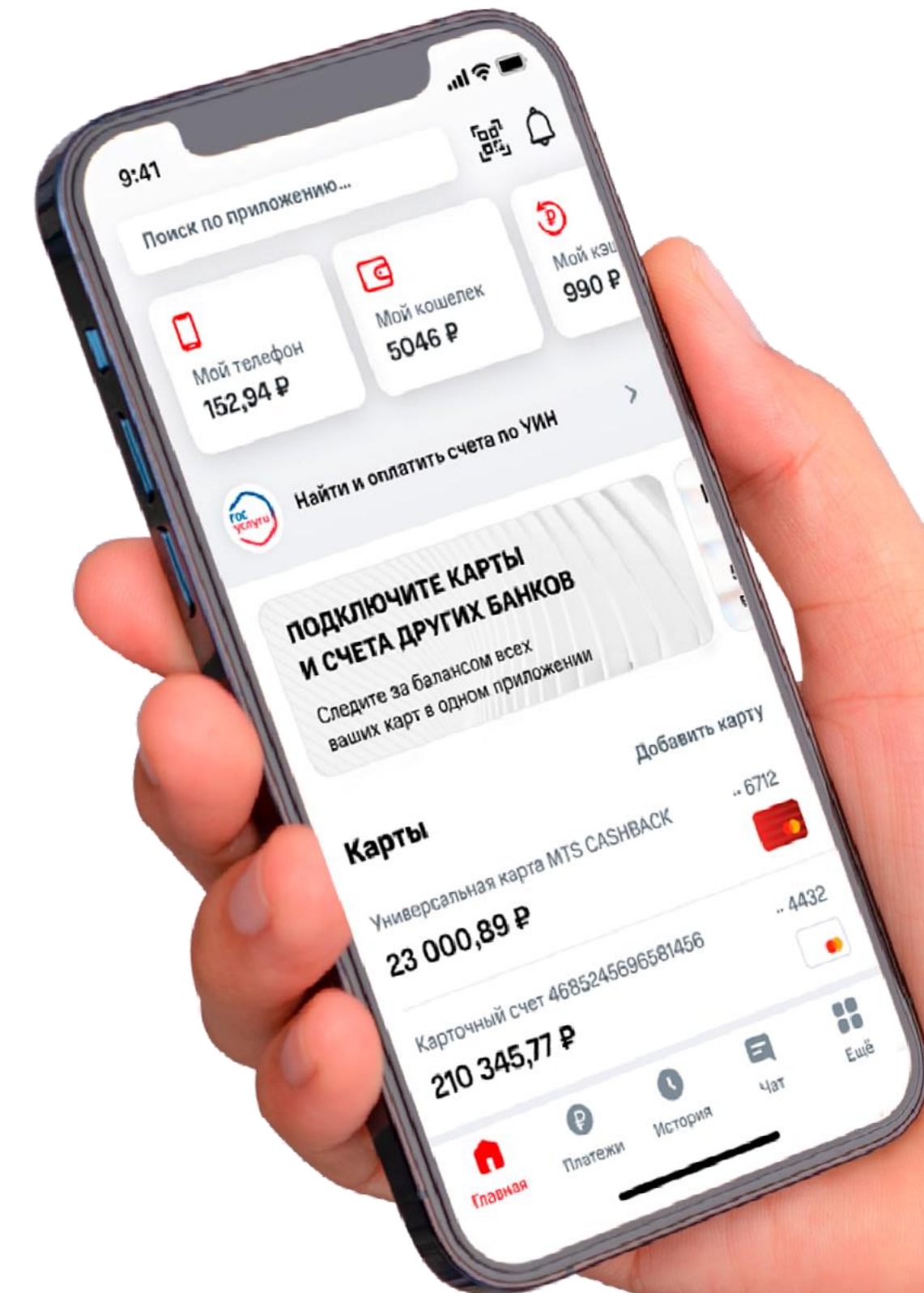
Current accounts and deposits

Investments

Mobile app and web services



**Retail lending is 86% of
the Bank's loan portfolio**



FOCUS ON MID-MARKET CORPORATE CLIENTS AND SME



14% of the Bank's
loan portfolio

Loans, guarantees and factoring

Payroll projects

Current accounts and deposits

Trade finance, FEA

Settlement and cash services

Remote banking services

Financial markets

Acquiring

Cards

USD 134 mn and
EUR 55 mn average monthly
cross-border payments

Loan portfolio:
49% wholesale and retail trade
27% real estate
9% transport & communications

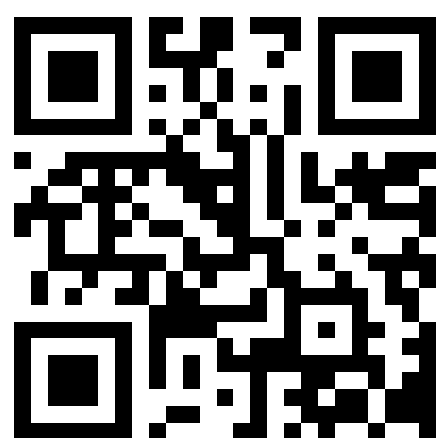


KEY FINANCIAL INDICATORS

IFRS, RUB BN	2018	2019	2020	2021
Assets	151,3	179,5	216,8	288,2
Annual loan portfolio growth	26%	48%	21%	68%
Total loan portfolio	72,6	107,4	129,9	218,4
Operating income before provisions	12,8	17,6	21,8	33,0
Net income	0,61	1,82	0,83	5,3
Fintech clients and MTS Bank clients	9,5	10,5	11,4	11,8
NPL, %%	10,2%	7,8%	9,7%	6,0%
NPL Coverage, %%	111%	121%	125%	150%
Cost to income, %%	70%	58%	46%	45%

CONTACTS

ir@mtsbank.ru



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