



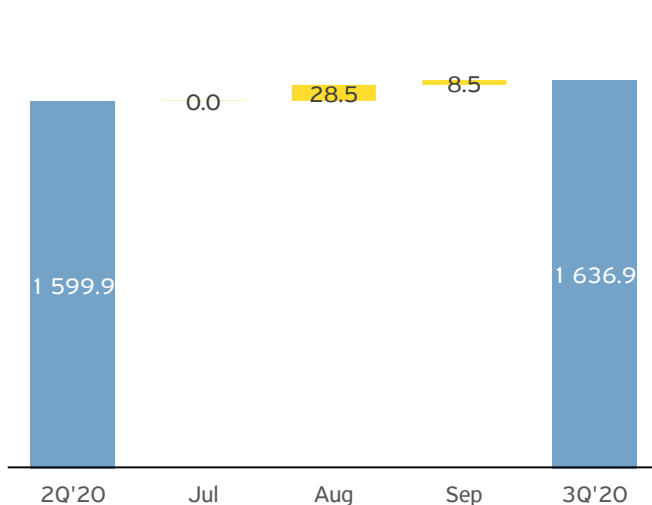
Russian Credit Card Market, Q3 2020

Market size and performance

Having survived the first wave of the pandemic in the second quarter of 2020, the Russian credit card market showed a slight recovery in the third. In July, the market's volume remained static amid restrictions, while in August, the market demonstrated the largest monthly expansion of 2020 with the exception of January. In the last month of summer, the market grew by ₺28.5 billion, a close second to January when the market rose by ₺31.1 billion. In September, there was modest growth of ₺8.5 billion. The total increase in debt for the quarter stood at ₺37.0 billion. Over the 9 months period, the market grew by ₺42.2 billion.

The relative change over the quarter was +2.3%, as the market grew by 2.6% over the year.

Market performance, ₺bn

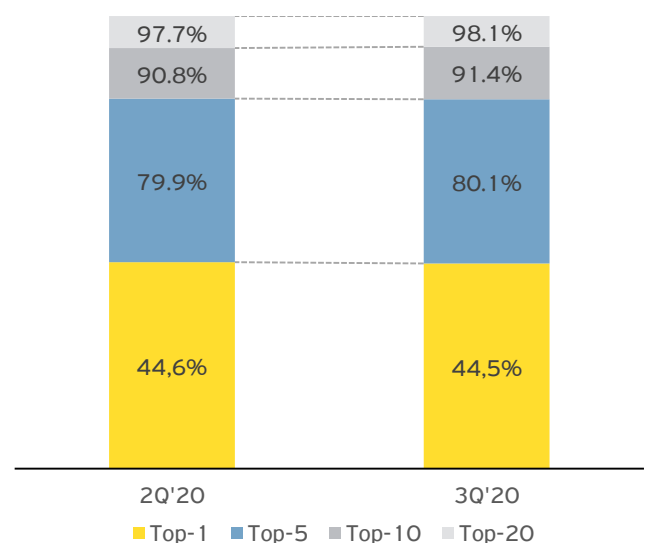


Market concentration

In the third quarter of 2020, Sberbank failed to maintain its record high market share, reducing it to 44.5% from 44.6%. At the same time, Alfa Bank demonstrated significant growth: + 0.5ppts (11.2% as of October 1). There was also an increase in Sovcombank's portfolio of ₺14bn, which allowed it to increase its market share by 0.8ppts to 4.1% at the end of Q3. Tinkoff Bank showed moderate portfolio growth, retaining its 13.5% market share, while Russian Standard and Orient Express lost 0.2ppt and 0.3ppt respectively.

The total number of credit institutions with a portfolio of over ₺1 billion stood at 30 and their total market share remained at 99.6%.

Market concentration, %



Russian Credit Card Market, Q3 2020

Key players

In the third quarter of 2020, Sberbank once again became the growth leader in the credit card market, increasing its portfolio by ₺14.3 billion to ₺728 billion as of October 1, 2020. Sovcombank's portfolio grew by ₺13.9 billion and reached ₺66.5 billion, allowing the bank to take 6th place among the largest players in the credit card market. Alfa Bank came in third in terms of absolute growth, posting an increase of ₺12.4 billion over 3 months, which resulted in a total debt of ₺183.5 billion and an 11.2% market share.

Tinkoff Bank also showed significant growth, as its portfolio rose to ₺221.5 billion (+ ₺6.0 billion). VTB increased its card debt by ₺1.7 billion to ₺105.0 billion, but reduced its share of the market from 6.5% to 6.4%.

Bank Orient Express went through the largest portfolio reduction in absolute terms in the second quarter. Its portfolio shrank by ₺4.0 billion per quarter to ₺59.7 billion and its market share decreased by 0.3 pp to 3.6%, as the bank dropped to 7th place.

Top 10 players in the Russian credit card market

| Bank | Portfolio, Q2'20 RUBbn | Change, RUBbn | Portfolio, Q3'20 RUBbn | Market share, Q2'20 | Change, % | Market share, Q3'20 |
|-----------------------|------------------------------|------------------|------------------------------|---------------------------|--------------|---------------------------|
| Sberbank | 713.4 | 14.3 | 727.8 | 44.6% | -0.1% | 44.5% |
| Tinkoff Bank | 215.6 | 6.0 | 221.5 | 13.5% | 0.1% | 13.5% |
| Alfa-Bank | 171.1 | 12.4 | 183.5 | 10.7% | 0.5% | 11.2% |
| VTB Bank | 103.2 | 1.7 | 105.0 | 6.5% | 0.0% | 6.4% |
| Russian Standard Bank | 74.8 | -1.7 | 73.1 | 4.7% | -0.2% | 4.5% |
| Sovcombank | 52.6 | 13.9 | 66.5 | 3.3% | 0.8% | 4.1% |
| Orient Express Bank | 63.8 | -4.0 | 59.7 | 4.0% | -0.3% | 3.6% |
| OTP Bank | 22.0 | -0.6 | 21.4 | 1.4% | -0.1% | 1.3% |
| Pochta Bank | 18.9 | 0.8 | 19.7 | 1.2% | 0.0% | 1.2% |
| Raiffeisenbank | 17.9 | 0.2 | 18.1 | 1.1% | 0.0% | 1.1% |



Russian Credit Card Market, Q3 2020

Disclosure

The report was drafted by Tinkoff Bank's team based on the data of the Central Bank of Russia (CBR) and takes into account undue debt (demand loans and overdrafts to individuals) only.

For the purposes of this report, the Bank relied on CBR data. Tinkoff Bank's analysts use amounts in accounts 45502 (loans and other funds provided to resident individuals for a period of up to 30 days), 45508 (demand loans and other funds provided to resident individuals), 45509 (deposit account overdrafts provided to resident individuals), 45707 (demand loans and other funds provided to non-resident individuals), and 45708 (deposit account overdrafts provided to non-resident individuals).

For questions, please contact us by media@tinkoff.ru

© Tinkoff Bank, 2020. All rights reserved. For quotes, please refer to Tinkoff Bank.