

## Factoring

At the end of 2019, the average factoring portfolio amounted to RUB 8.2 bln, an increase of 50% y-o-y. It is diversified by sectors and regions with customers being present in most federal districts of Russia. The bank was ranked 11th by factoring portfolio among members of the Association of Factoring Companies.

Last year, the bank added two new factoring products:

- State-backed factoring

The bank agreed and launched a product for financing receivables of public procurement participants.

- Dual currency factoring

The bank agreed and prepared the launch of a factoring financing product as part of the currency transfer of customers whose contracts are denominated in conditional units.

## Cash Handling

The bank is one of the cash handling market leaders in Moscow and Moscow Region, as well as in Russia as a whole. Since 2015, its Group includes Inkakhran, one of the largest cash handling companies in Russia.

The Russian economy remains cash-intensive, which supports the high demand for cash handling services, especially among retailers. Historically, retail companies and credit institutions have been an important business segment for the bank and generate a significant part of cash handling fees.

On top of the direct fee and commission income, the cash handling services allow the bank to obtain additional benefits by reducing the cost of operating its own network of self-service devices (ATMs and payment terminals) and by installing them in places with high customer traffic, which increases the return on installation and maintenance investments.

The bank regularly develops and introduces new cash handling products. One example is the collection of revenues through self-service devices (ATMs and payment terminals) with online crediting of funds to the customer's account. The provision of cash handling services sets the bank apart from the competition and represents a significant competitive advantage.