

## Small and Medium Businesses

In 2019, one of the initiatives within the SME development strategy was to change the focus of work – that is, to concentrate on the industry niche. A full-fledged work in the Government Order segment of SME business was determined as one of the most promising niches. At the present time, the Bank has created a complete product line for the said segment: financing and provision of bank guarantees, from filing an application by the customer for participation in the tender to financing contract performance and customer's debt after performance of works under the contract. The whole service delivery process from filing an application and submitting documents to the issuance of a bank guarantee runs online. The number of customers who received these services in 2019 exceeded 2,500.

In 2019, four offices servicing SME customers were opened in Saint Petersburg, and one office was opened in Kazan. In 2020, the geography of MKB services for corporate customers will be expanded. A bank account can be opened even in the absence of an office in the region. The on-site account opening service is organized in 19 cities of Russia, and this service is delivered remotely.

In 2019, MKB continued its active interaction with the state institutions providing socioeconomic support to small and medium businesses, such as Russian Small and Medium Business Corporation, SME Bank JSC, and Regional Guarantee Organizations (SME Support Foundations). Three-tier government support solves the problem of the lack of financial support for the obligations of SME (loan agreements, bank guarantees, letters of credit). Compensation paid by the customers for the provision of government security is 0% to 2% per annum of the amount of obligation.

In March 2019, MKB and the Ministry of Economic Development of the Russian Federation signed the Subsidy Program Implementation Agreement. Under this Program, loans on preferential terms (at a rate of up to 8.5%) are extended to small and medium business entities operating in the priority sectors of the economy. In its turn, the Bank receives an additional subsidy from the budget for the extension of such loans (up to 3.5%).

