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PRESS RELEASE

Bank Saint Petersburg posted the all-time best IFRS profit

Financial highlights*:

- **Net Income** increased by 75% and reached the all-time best **RUB 7.5 billion for FY 2017**, including RUB 1.8 billion for 4Q 2017;
- **ROAE** amounted to 11.4% for FY 2017;
- **Cost of risk** decreased to 2.7% for FY 2017, the lowest level in 3 years;
- **Retail loan portfolio** increased by 30.8% during FY 2017 to RUB 71.2 billion.

*Consolidated IFRS FS for FY 2017.

Alexander Savelyev, Chairman of the Management Board, comments on the Bank's FY 2017 results:

"2017 was a very successful year for the Bank, the results exceeded our most ambitious expectations. We earned a record RUB 7.5 billion profit and significantly improved our loan portfolio. The most challenging times are definitely over, leaving us with the principal target to earn even more".

Bank Saint Petersburg is ranked 16th in terms of assets and 15th in terms of retail deposits among Russian banks (Interfax ranking). As at January 1, 2018, the Bank provides services to 1 930 000 individuals and 50 000 corporates; the number of cards issued by the Bank is 1 300 000; the Bank's card network comprised of 804 ATMs. At present Internet Bank is used by 960 000 clients.

In June 2017, the rating agency Fitch Ratings affirmed the Bank's long-term foreign and local currency ratings at "BB-", with the forecast "Stable". In December 2017, the rating agency ACRA confirmed the Bank's credit rating at the level of A- (RU), with the forecast "Stable".

Results summary for FY 2017

Net interest income (NII) amounted to RUB 20.5 billion for FY 2017 (-7.2% compared with FY 2016) and RUB 5.9 billion for 4Q 2017 (+10.6% compared with 3Q 2017). Interest income for FY 2017 decreased by 9.0% compared with FY 2016; interest income is comprised mostly of interest income on loans and advances to customers (75.0%). Interest expense decreased by 10.4%: interest expenses on retail term deposits decreased by 7.6% (32.5% of total interest expenses) while interest expenses on corporate term deposits decreased by 14.6% (20.9% of total interest expenses). **Net interest margin (NIM)** amounted to 3.6% for FY 2017 (4.1% for FY 2016) and 4.3% for 4Q 2017 (4.0% for 3Q 2017).

Net fee and commission income for FY 2017 increased by 10.9% compared with FY 2016 and amounted to RUB 5.2 billion. Compared with FY 2016, income from plastic cards settlements grew by 32.6% (40.6% of total F&C income), income from cash and settlement transactions grew by 7.2% (40.6% of total F&C income), income from guarantees and letters of credit issued decreased by 10.9% (13.2% of total F&C income).

Net trading income for FY 2017 reached RUB 6.2 billion (+49.8% compared with FY 2016). 85% of the net trading income is comprised of gains from operations with foreign currencies and derivatives.

Revenues reached an all-time high of RUB 33.2 billion for FY 2017 (+6.8% compared with FY 2016) and RUB 8.5 billion for 4Q 2017 (+0.7% compared with 3Q 2017).

Cost-to-Income Ratio stood at 40.6% for FY 2017 (41.0% for FY 2016). **Operating costs** amounted to RUB 13.5 billion for FY 2017 (+5.9% compared with FY 2016) and RUB 3.7 billion for 4Q 2017 (+6.9% compared with 3Q 2017).

Net income increased by 75% and reached the all-time best RUB 7.5 billion for FY 2017, including RUB 1.8 billion for 4Q 2017 (+40.6% compared with 4Q 2016). The Bank's **return on equity (ROAE)** amounted to 11.4% for FY 2017 (7.3% for FY 2016) and 9.9% for 4Q 2017 (8.2% for 4Q 2016).

As at January 1, 2018, the **Bank's assets** amounted to RUB 606.9 billion (+4.6% compared with January 1, 2017; +6.0% compared with October 1, 2017).

Customer deposits totalled RUB 360.2 billion (+0.7% compared with January 1, 2017; +7.3% compared with October 1, 2017). The volume of current and settlement accounts amounted to RUB 109.2 billion (+4.8% compared with January 1, 2017; +1.1% compared with October 1, 2017). The volume of term deposits amounted to RUB 251.0 billion (-1.0% compared with January 1, 2017; +10.2% compared with October 1, 2017). As at January 1, 2018, 57.1% of customer deposits belonged to individuals and 42.9% - to corporate customers.

Equity and capital. As at January 1, 2018, the shareholders equity amounted to RUB 70.9 billion (+16.5% compared with January 1, 2017; +2.6% compared with October 1, 2017). The Bank's total capital amounted to RUB 89.0 billion (+9.0% compared with January 1, 2017; +1.0% compared with October 1, 2017). The capital growth was mainly driven by record net income RUB 7.5 billion and share issue in the amount of RUB 3.2 billion. As at January 1, 2018, the Bank's Tier 1 and total capital adequacy ratios were 12.4% and 16.7% respectively.

Loan portfolio before provisions totalled RUB 357.7 billion (+1.0% compared with January 1, 2017; +2.1% compared with October 1, 2017). Loans to corporate customers represented 78.8% of the loan portfolio, loans to individuals – 21.2%. During FY 2017, corporate loan portfolio decreased by 4.2% to RUB 281.9 billion. During FY 2017 retail loan portfolio increased by 30.8% to RUB 71.2 billion (mortgage loans grew by 27.4%, consumer loans grew by 46.1%, car loans grew by 23.3%).

Loan portfolio quality. As at January 1, 2018, the share of problem loans in the Bank's portfolio (total share of overdue loans and impaired not past due loans) amounted to 14.3% (15.2% as at January 1, 2017). The share of overdue loans in the Bank's portfolio amounted to 5.9% of the total volume of loans. The share of the corporate overdue loans amounted to 6.2% of the total corporate loans; the share of the overdue loans to individuals amounted to 4.7% of the total loans to individuals. As at January 1, 2018, impaired not past due loans constituted 8.3% of the total volume of loans. The rate of provisions for loan impairment amounted to 11.0% (11.2% as at January 1, 2017). Provision charge for FY 2017 amounted to RUB 9.6 billion. For FY 2017, loans in the amount of RUB 9.7 billion were written off.

FY 2017 IFRS Financial Statements are available on the Bank's website:

<https://www.bspb.ru/en/investors/financial-statements/IFRS/>.

Bank Saint Petersburg is the leading privately-owned bank of the North-West of Russia. As at January 1, 2018, the Bank provides services to 1 930 000 individuals and 50 000 corporates through its 67 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad, including the representative office in Novosibirsk. It ranks 16th in terms of assets among Russian banks (according to Interfax). The Bank's shares are traded since 2007 and quoted in the top listing level of the Moscow Exchange with stock ticker BSPB.

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For more information about Bank Saint Petersburg please visit <https://www.bspb.ru/en/investors/>