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PRESS RELEASE

Bank Saint Petersburg Announces 1H 2015 IFRS Results

Financial highlights*:

- **1H 2015 Revenues** increased by 15.7% compared with 1H 2014 and amounted to RUB 12.6 billion (USD 227 million);
- **1H 2015 Net trading income** amounted to RUB 2.3 billion (USD 42 million);
- **1H 2015 Net income** amounted to RUB 1.6 billion (USD 28 million);
- **1H 2015 Total comprehensive income** reached RUB 3.3 billion (USD 59 million);
- **Retail loan portfolio** grew by 3.3% in 2Q 2015 to RUB 44.1 billion (USD 794 million).

*Consolidated IFRS FS for 1H 2015.

The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for June 30, 2015 (USD 1.00 = RUB 55.52).

Vladislav Guz, Chairman of the Management Board, commented on the Bank's 1H 2015 results:

"We are pleased with our 1H 2015 financials. Trading operations contributed to our strong results achieved in spite of the challenging environment. It proves again that our business model is well-balanced and resistant to external shocks".

As at July 1, 2015, Bank Saint Petersburg was ranked 18th in terms of assets and 18th in terms of retail deposits among the Russian banks (Interfax ranking). Today, the Bank provides services to 1,500,000 individuals and 56,000 corporates. As at July 1, 2015, the number of cards issued by the Bank exceeded 990,000; the Bank's ATM network comprised of 690 units. Internet-Bank was actively used by 500,000 clients.

Results summary for 1H 2015

1H 2015 Net interest income amounted to RUB 8.2 billion (-3.1% compared with 1H 2014). Interest income for 1H 2015 increased by 38.2% compared with 1H 2014; interest income is comprised mostly of interest income on loans and advances to customers (75.9%). Interest expense increased by 75.2%: interest expenses on retail term deposits grew by 58.7% (28.8% of total interest expenses) while interest expenses on corporate term deposits grew by 94.0% (26.8% of total interest expenses). **2Q 2015 Net interest income** remained at the level of 1Q 2015 and amounted to RUB 4.1 billion. **Net interest margin (NIM)** for 1H 2015 and 2Q 2015 amounted to 3.5% (4.4% in 1H 2014 and 3.6% in 1Q 2015).

1H 2015 Net fee and commission income increased by 10.5% compared with 1H 2014 and amounted to RUB 1.9 billion. Compared with 1H 2014, income from cash and settlement transactions grew by 15.7% (46.0% of total F&C income), income from plastic cards and cheque settlements grew by 13.8% (28.1% of total F&C income), income from guarantees and letters of credit issued grew by 1.7% (18.6% of total F&C income). **2Q 2015 Net fee and commission income** increased by 22.7% compared with 1Q 2015 and amounted to RUB 1.0 billion.

1H 2015 Net trading income amounted to RUB 2.3 billion (RUB 42 million in 1H 2014). Gains from operations with foreign currencies and derivatives amounted to RUB 2.2 billion, gains from operations with securities amounted to RUB 0.1 billion. **2Q 2015 Net trading income** amounted to RUB 1.8 billion (RUB 502 million in 1Q 2015). In 1H 2015 the Bank posted **additional gain through capital account from revaluation of investment securities available-for-sale** that contributed to total comprehensive income – RUB 1.7 billion in 1H 2015 and RUB 0.7 billion in 2Q 2015.

Revenues for 1H 2015 increased by 15.7% compared with 1H 2014 and amounted to RUB 12.6 billion. Revenues for 2Q 2015 grew by 27.1% compared with 1Q 2015 and reached RUB 7.0 billion.

The Bank's **Cost-to-Income Ratio** for 1H 2015 stood at 39.4% (41.1% for 1H 2014), 2Q 2015 Cost-to-Income Ratio amounted to 38.2%. **Operating costs** for 1H 2015 increased by 10.9% compared with 1H 2014 to RUB 5.0 billion; operating costs for 2Q 2015 amounted to RUB 2.7 billion (+18.6% compared with 1Q 2014).

Net income for 1H 2015 amounted to RUB 1.6 billion (-46.3% compared with 1H 2014); net income for 2Q 2015 amounted to RUB 1.0 billion (+75.5% compared with 1Q 2015). The Bank's **return on equity (ROAE)** for 1H 2015 amounted to 6.0%, ROAE for 2Q 2015 - 7.4%. **Total comprehensive income** for 1H 2015 reached RUB 3.3 billion (+51.0% compared with 1H 2014 – RUB 2.2 billion).

As at July 1, 2015, the **Bank's assets** amounted to RUB 520.3 billion (-0.3% compared with January 1, 2015; -0.2% compared with April 1, 2015).

Liabilities. Customer deposits totalled RUB 314.3 billion (-3.3% compared with January 1, 2015; -1.0% compared with April 1, 2015). As at July 1, 2015, 50.9% of customer deposits belonged to individuals and 49.1% - to corporate customers. During 1H 2015, the volume of retail deposits increased by 2.6%; the volume of corporate deposits decreased by 8.7%. As at July 1, 2015, the share of wholesale funding in liabilities amounted to 4.9%.

Equity and capital. As at July 1, 2015, the shareholders equity amounted to RUB 54.4 billion (+6.1% compared with January 1, 2015; +2.2% compared with April 1, 2015). The Bank's total capital amounted to RUB 64.4 billion (+2.8% compared with January 1, 2015; -0.8% compared with April 1, 2015). As at July 1, 2015, the Bank's Tier 1 and total capital adequacy ratios were 10.5% and 13.7% respectively.

Loan portfolio before provisions totalled RUB 334.4 billion (-2.7% compared with January 1, 2015; -1.0% compared with April 1, 2015). Loans to corporate customers represented 85.2% of the loan portfolio, loans to individuals – 14.8%. During 1H 2015 corporate loan portfolio decreased by 2.5% to RUB 284.8 billion. During 1H 2015 retail loan portfolio decreased by 0.5% to RUB 44.1 billion (mortgage loans grew by 2.8%, consumer loans decreased by 2.6%, car loans decreased by 19.4%). In 2Q 2015 retail loan portfolio grew by 3.3%.

Loan portfolio quality. As at July 1, 2015, the share of problem loans in the Bank's portfolio (total share of overdue loans and impaired not past due loans) amounted to 9.9% (10.0% as at January 1, 2015). The share of overdue loans in the Bank's portfolio amounted to 4.6% of the total volume of loans. The share of the corporate overdue loans amounted to 4.6% of the total corporate loans; the share of the retail overdue loans amounted to 4.6% of the total retail loans. As at July 1, 2015, impaired not past due loans constituted 5.3% of the total volume of loans. The rate of provisions for loan impairment amounted to 8.5% (8.3% as at January 1, 2015). Provision charge for 1H 2015 amounted to RUB 5.6 billion. In 1H 2015, loans in the amount of RUB 5.5 billion were written off.

1H 2015 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. Founded in 1990, the Bank has become an integral part of the financial sector in the North-West of Russia over the past years. The Bank provides services to 1,500,000 individuals and 56,000 corporates through its 48 offices in St. Petersburg, the Leningrad region, Moscow and Kaliningrad. As at July 1, 2015, the Bank was ranked 18th in terms of assets among Russian banks (according to Interfax).

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