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PRESS RELEASE

Bank Saint Petersburg Announces 9M 2015 IFRS Results

Financial highlights*:

- **9M 2015 Revenues** increased by 21.6% compared with 9M 2014 to RUB 19.8 billion (USD 299 million), **3Q 2015 Revenues** – record RUB 7.2 billion (USD 109 million);
- **9M 2015 Net trading income** amounted to RUB 4.3 billion (USD 66 million);
- **9M 2015 Net income** amounted to RUB 2.7 billion (USD 41 million);
- **9M 2015 Total comprehensive income** reached RUB 4.6 billion (USD 70 million) and exceeded FY 2014 result;
- **Retail loan portfolio** grew by 6.2% in 3Q 2015 to RUB 46.8 billion (USD 706 million).

*Consolidated IFRS FS for 9M 2015.

The RUB-nominated figures are translated into USD at the official exchange rate quoted by the CBR for September 30, 2015 (USD 1.00 = RUB 66.24).

Vladislav Guz, Chairman of the Management Board, commented on the Bank's 9M 2015 results:

"Again we posted results above market expectations. Quarterly revenues beat our historical record, profitability is recovering, and 9M 2015 comprehensive income has already exceeded last year's number. We substantially strengthened our capital position and face the future confidently".

As at October 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 1,600,000 individuals and 56,000 corporates. As at October 1, 2015, the number of cards issued by the Bank exceeded 1,000,000; the Bank's ATM network comprised of 700 units. Internet-Bank was actively used by 529,000 clients.

Results summary for 9M 2015

9M 2015 Net interest income amounted to RUB 12.3 billion (-5.0% compared with 9M 2014). Interest income for 9M 2015 increased by 36.2% compared with 9M 2014; interest income is comprised mostly of interest income on loans and advances to customers (76.2%). Interest expense increased by 72.8%: interest expenses on retail term deposits grew by 62.8% (29.6% of total interest expenses) while interest expenses on corporate term deposits grew by 84.5% (26.0% of total interest expenses). **3Q 2015 Net interest income** remained at the level of 2Q 2015 and amounted to RUB 4.1 billion. **Net interest margin (NIM)** for 9M 2015 and 3Q 2015 amounted to 3.5% and 3.4% respectively (4.4% in 9M 2014 and 3.5% in 2Q 2015).

9M 2015 Net fee and commission income increased by 9.4% compared with 9M 2014 and amounted to RUB 2.9 billion. Compared with 9M 2014, income from cash and settlement transactions grew by 20.5% (47.9% of total F&C income), income from plastic cards and cheque settlements grew by 12.1% (27.2% of total F&C income), income from guarantees and letters of credit issued decreased by 1.9% (18.3% of total F&C income). **3Q 2015 Net fee and commission income** increased by 0.7% compared with 2Q 2015 and amounted to RUB 1.0 billion.

9M 2015 Net trading income amounted to RUB 4.3 billion (-RUB 126 million in 9M 2014). Gains from operations with foreign currencies and derivatives amounted to RUB 4.0 billion, gains from operations with securities amounted to RUB 0.3 billion. **3Q 2015 Net trading income** amounted to RUB 2.0 billion (RUB 1.8 billion in 2Q 2015). In 9M 2015 the Bank posted **additional gain through capital account from revaluation of investment securities available-for-sale** that contributed to total comprehensive income – RUB 1.9 billion in 9M 2015 and RUB 0.2 billion in 3Q 2015.

Revenues for 9M 2015 increased by 21.6% compared with 9M 2014 and amounted to RUB 19.8 billion. Revenues for 3Q 2015 grew by 2.7% compared with 2Q 2015 and reached RUB 7.2 billion.

The Bank's **Cost-to-Income Ratio** for 9M 2015 stood at 37.7% (41.7% for 9M 2014), 3Q 2015 Cost-to-Income Ratio amounted to 34.8%. **Operating costs** for 9M 2015 increased by 9.9% compared with 9M 2014 to RUB 7.5 billion; operating costs for 3Q 2015 amounted to RUB 2.5 billion (-6.6% compared with 2Q 2015).

Net income for 9M 2015 amounted to RUB 2.7 billion (-34.5% compared with 9M 2014); net income for 3Q 2015 amounted to RUB 1.1 billion (+12.1% compared with 2Q 2015). The Bank's **return on equity (ROAE)** for 9M 2015 amounted to 6.7%, ROAE for 3Q 2015 - 8.1%. **Total comprehensive income** for 9M 2015 reached RUB 4.6 billion (+36.8% compared with 9M 2014 total comprehensive income adjusted for one-off RUB 3.4 billion).

As at October 1, 2015, the **Bank's assets** amounted to RUB 527.6 billion (+1.1% compared with January 1, 2015; +1.4% compared with July 1, 2015).

Liabilities. Customer deposits totalled RUB 328.4 billion (+1.1% compared with January 1, 2015; +4.5% compared with July 1, 2015). As at October 1, 2015, 52.2% of customer deposits belonged to individuals and 47.8% - to corporate customers. During 9M 2015, the volume of retail deposits increased by 9.8%; the volume of corporate deposits decreased by 7.0%. As at October 1, 2015, the share of wholesale funding in liabilities amounted to 4.9%.

Equity and capital. As at October 1, 2015, the shareholders equity amounted to RUB 55.7 billion (+8.7% compared with January 1, 2015; +2.4% compared with July 1, 2015). The Bank's total capital amounted to RUB 79.9 billion (+27.5% compared with January 1, 2015; +24.0% compared with July 1, 2015). The capital growth was mainly driven by funds attracted from DIA in the amount of RUB 14.6 billion. As at October 1, 2015, the Bank's Tier 1 and total capital adequacy ratios were 10.3% and 16.3% respectively.

Loan portfolio before provisions totalled RUB 352.7 billion (+2.6% compared with January 1, 2015; +5.5% compared with July 1, 2015). Loans to corporate customers represented 85.0% of the loan portfolio, loans to individuals – 15.0%. During 9M 2015 corporate loan portfolio increased by 2.7% to RUB 299.7 billion. During 9M 2015 retail loan portfolio increased by 5.7% to RUB 46.8 billion (mortgage loans grew by 11.8%, consumer loans remained at the level of January 1, 2015, car loans decreased by 24.9%). In 3Q 2015 retail loan portfolio grew by 6.2%.

Loan portfolio quality. As at October 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 11.3% (10.0% as at January 1, 2015). The share of overdue loans in the Bank's portfolio amounted to 4.9% of the total volume of loans. The share of the corporate overdue loans amounted to 4.9% of the total corporate loans; the share of the retail overdue loans amounted to 4.8% of the total retail loans. As at October 1, 2015, impaired not past due loans constituted 6.5% of the total volume of loans. The rate of provisions for loan impairment amounted to 9.0% (8.3% as at January 1, 2015). Provision charge for 9M 2015 amounted to RUB 8.9 billion. In 9M 2015, loans in the amount of RUB 5.6 billion were written off.

9M 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 1,600,000 individuals and 56,000 corporates through its 49 offices in St. Petersburg, the Leningrad region, Moscow and Kaliningrad. As at October 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/>