

**BANK
SAINT PETERSBURG**

1Q 2018 IFRS Results

May 29, 2018

Highlights for 1Q 2018

- Net income increased by 25% y-o-y up to RUB 1.8 bn
- Net interest income increased by 13% y-o-y up to RUB 5.1 bn
- Net F&C income increased by 18% y-o-y up to RUB 1.4 bn
- Cost-of-Risk 204 bp for 1Q 2018, well within guidance
- Retail lending growth continues (+30% y-o-y)

Changes in accounting policy

Effects of IFRS 9 implementation as at January 1, 2018

- ✓ Total equity –RUB 2.3 bn (within the guidance –RUB 2.6 bn)
- ✓ Allowance for impairment –RUB 4.4 bn:
 - Changes in provisioning +RUB 1.3 bn
 - Remeasurement –RUB 0.6 bn
 - Write-offs –RUB 5.1 bn
- ✓ Gross loans –RUB 7.0 bn

Payments to Deposit Insurance Agency are excluded from Operating expenses and added to NII

Throughout this presentation figures and ratios (revenues, NII, NIM, Core Banking Margin, operating expenses, CIR) are adjusted retrospectively with regard to the Changes in accounting policy

- ✓ Net interest income –RUB 0.3 bn
- ✓ NIM –20 bp
- ✓ Costs –RUB 0.3 bn
- ✓ Cost/Income ratio –225bp

Accrued interest payments on problem loans are posted as interest income

- ✓ Interest income +RUB 0.4 bn
- ✓ NIM +30 bp
- ✓ Provisions +RUB 0.4 bn
- ✓ Cost of Risk +50 bp

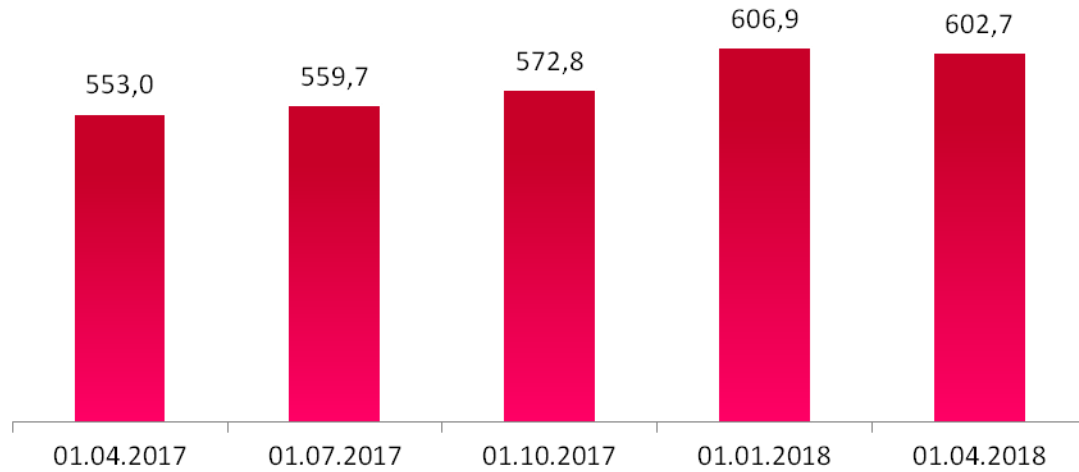
Overview of Key Financials

In RUB bn	Jan 1, 2018	Apr 1, 2018	YTD	Apr 1, 2017	Jan 1, 2018	Apr 1, 2018	q-o-q	y-o-y
Total assets	606.86	602.70	-0.69%	552.98	606.86	602.70	-0.69%	+8.99%
Gross Loans	357.71	345.78	-3.34%	347.51	357.71	345.78	-3.34%	-0.50%
Customer Deposits*	360.23	353.42	-1.89%	328.20	360.23	353.42	-1.89%	+7.68%
Total Capital	88.98	88.49	-0.55%	82.26	88.98	88.49	-0.55%	+7.58%
				1Q 2017	4Q 2017	1Q 2018	q-o-q	y-o-y
Net Interest Income				4.45	5.72	5.05	-11.58%	+13.48%
Net Fee and Commission Income				1.17	1.47	1.39	-5.29%	+18.49%
Revenues				7.32	8.32	7.30	-12.29%	-0.34%
Net Income				1.48	1.75	1.85	+5.31%	+25.07%
				1Q 2017	4Q 2017	1Q 2018	q-o-q	y-o-y
Net Interest Margin				3.34%	4.11%	3.58%	-0.53 PP	+0.24 PP
Cost/Income Ratio				37.79%	41.16%	41.66%	+0.50 PP	+3.87 PP
ROAE				9.73%	9.94%	10.60%	+0.66 PP	+0.87 PP

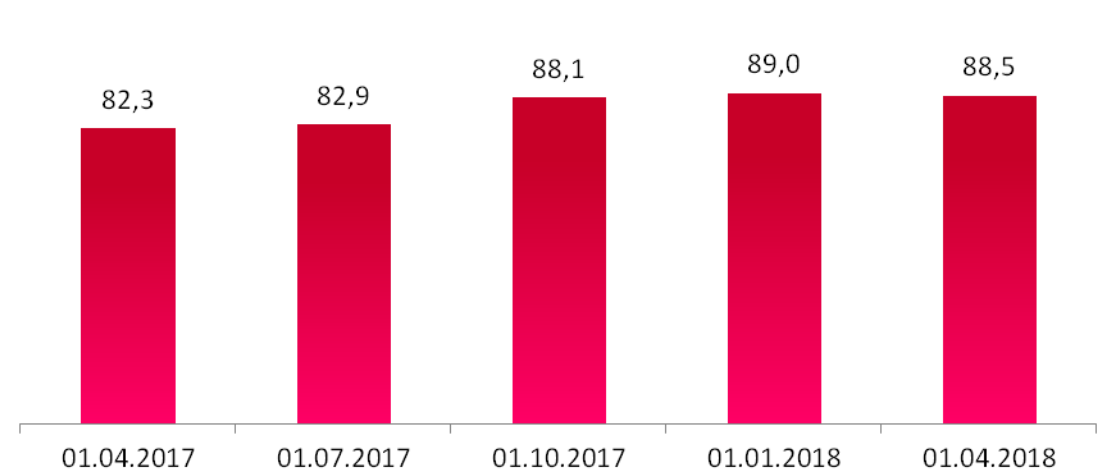
* Customer deposits are calculated as a sum of customer accounts and promissory notes (other debt securities issued)

Financial Highlights, 1Q 2018

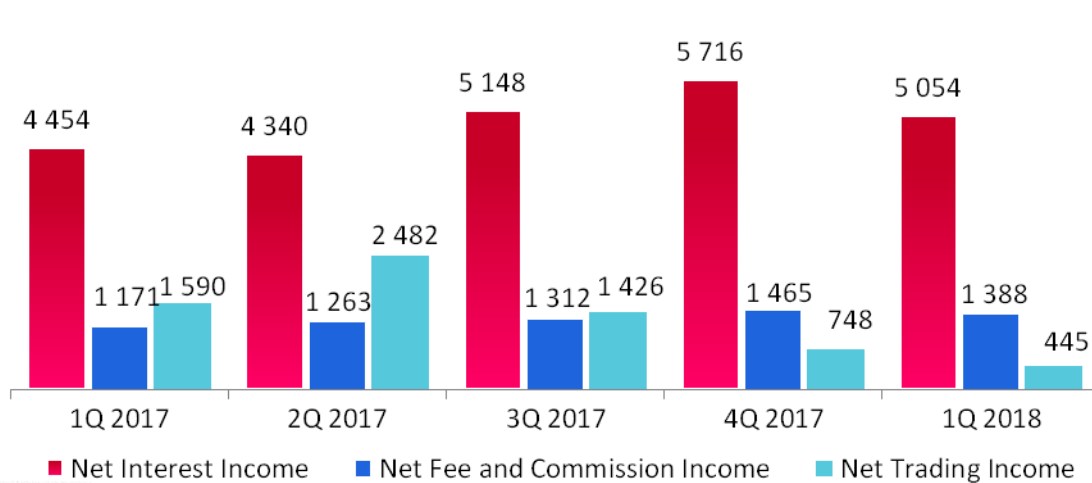
Assets, RUB bn



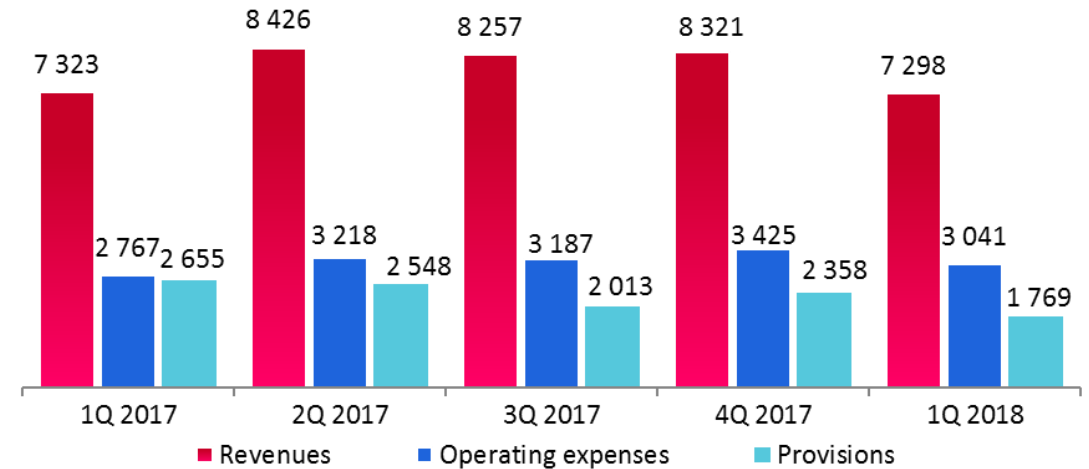
Capital, RUB bn



Income structure, RUB mln

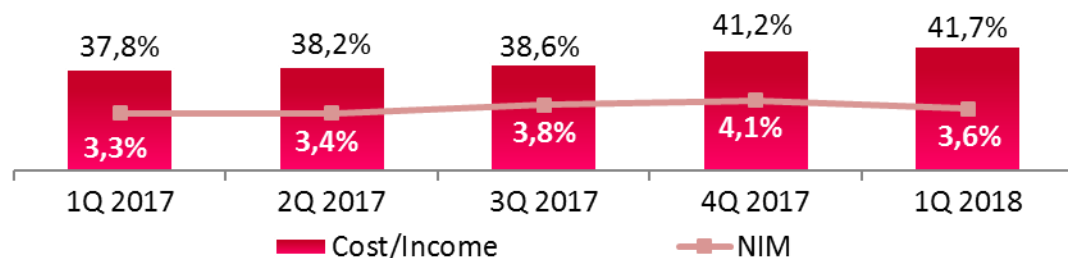


Income and expenses data, RUB mln

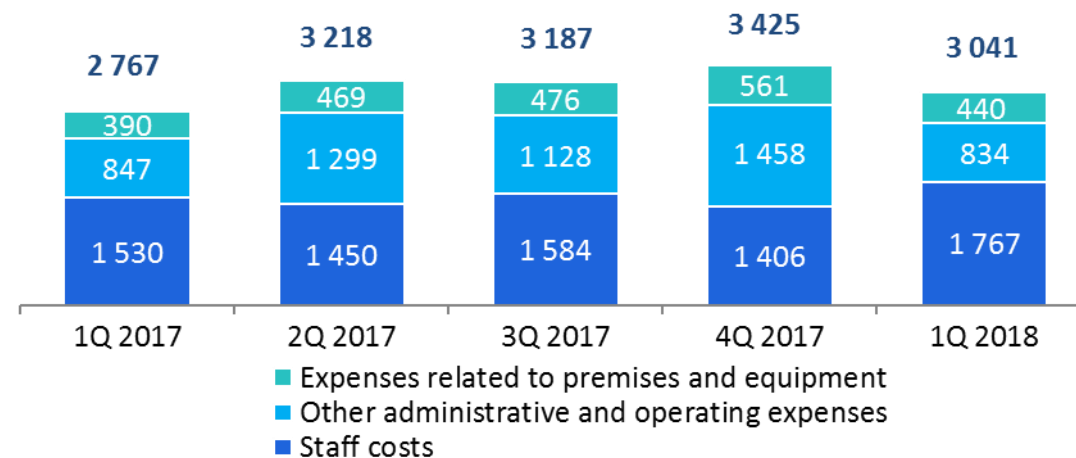


Results for 1Q 2018

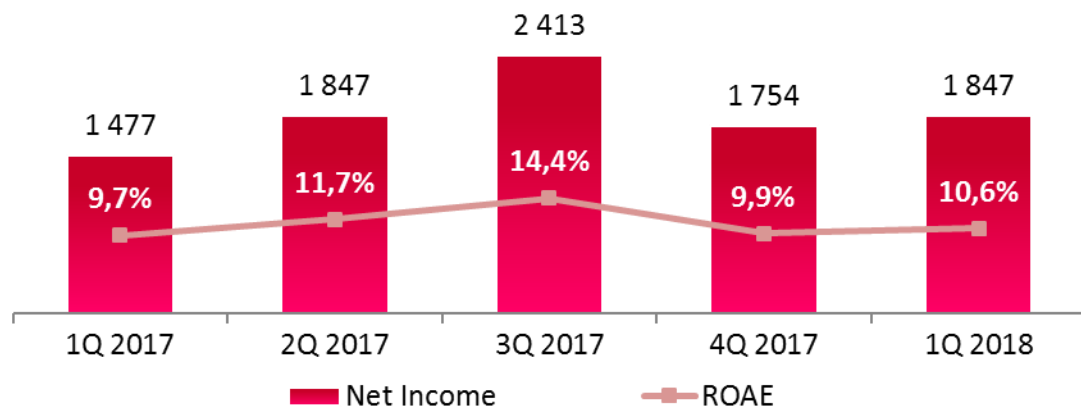
Cost/Income and NIM, %



Operating expenses, RUB mln



Net income dynamics, RUB mln

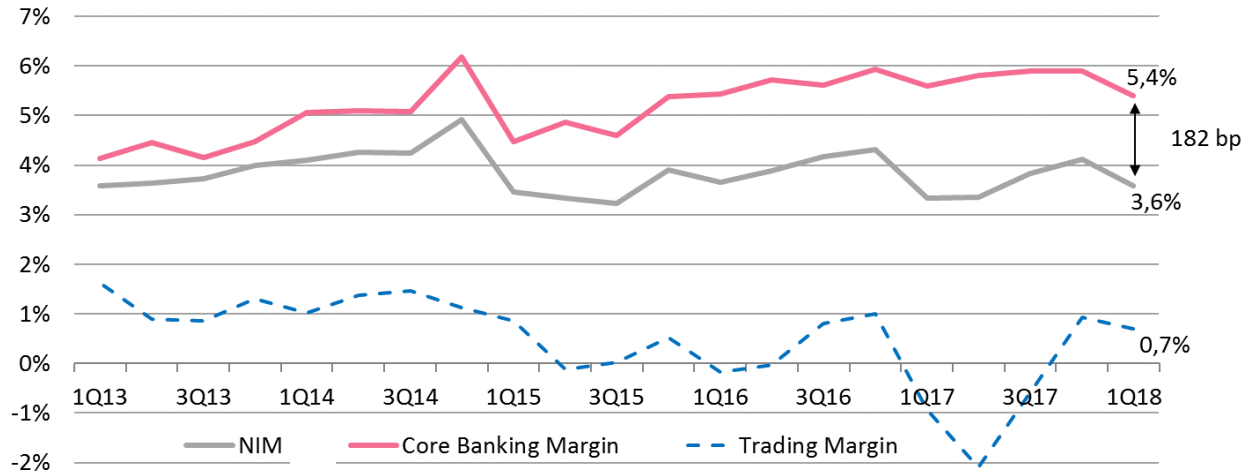


Comments

- Lower interest income corresponds to better asset quality
- Revenues structure improves with F&C growth +18% y-o-y
- Net income growth +25% y-o-y

NIM Dynamics

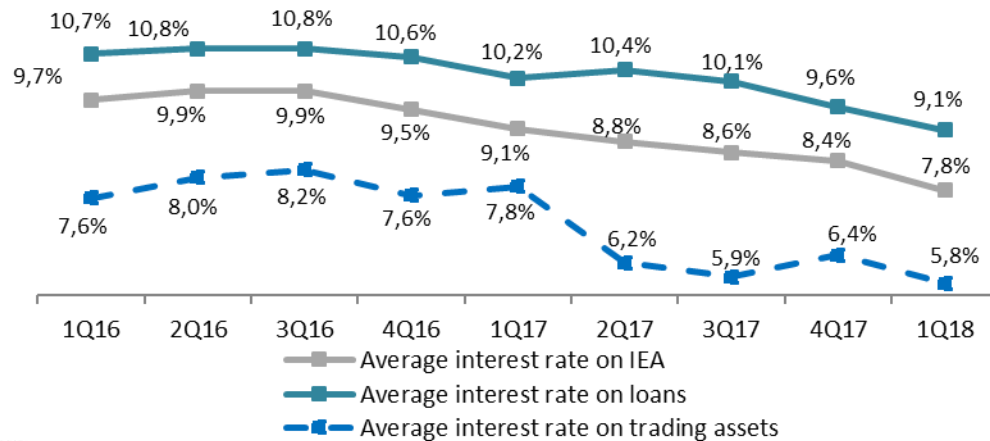
Core Banking Margin* Dynamics



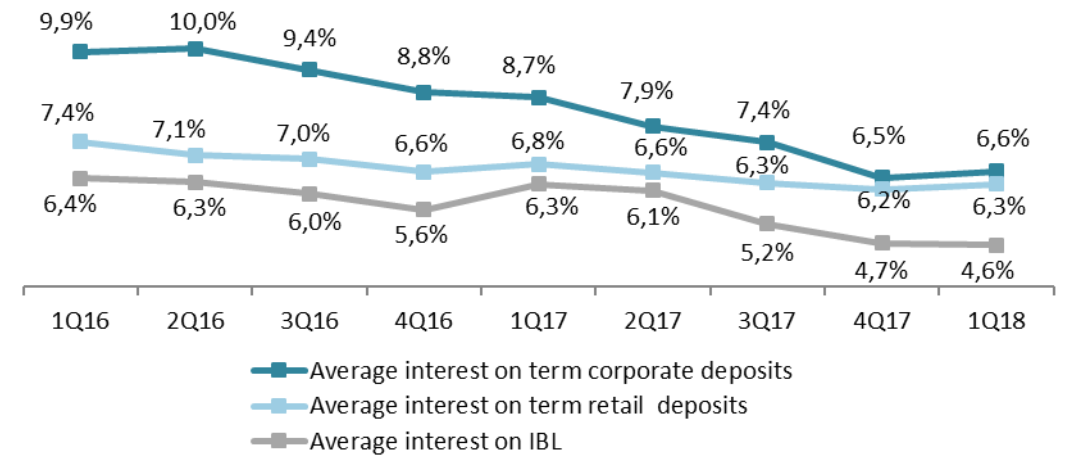
Comments

- Better asset quality leads to Core Banking Margin' squeeze
- Liabilities repricing ceases to be a major NIM contributor

Average interest rates on the assets side

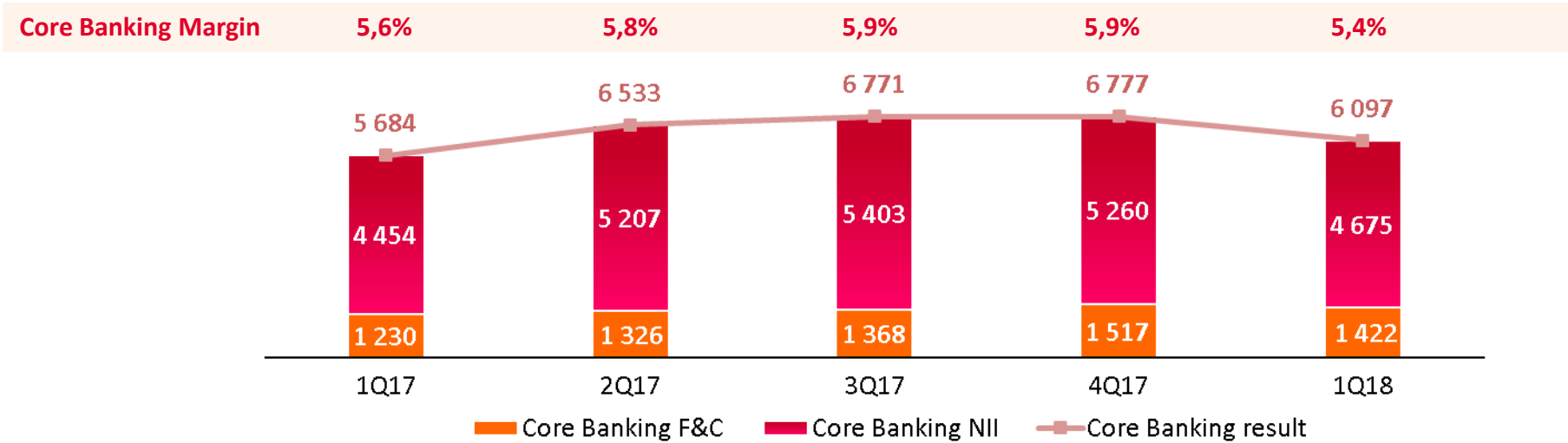


Average interest rates on the liabilities side

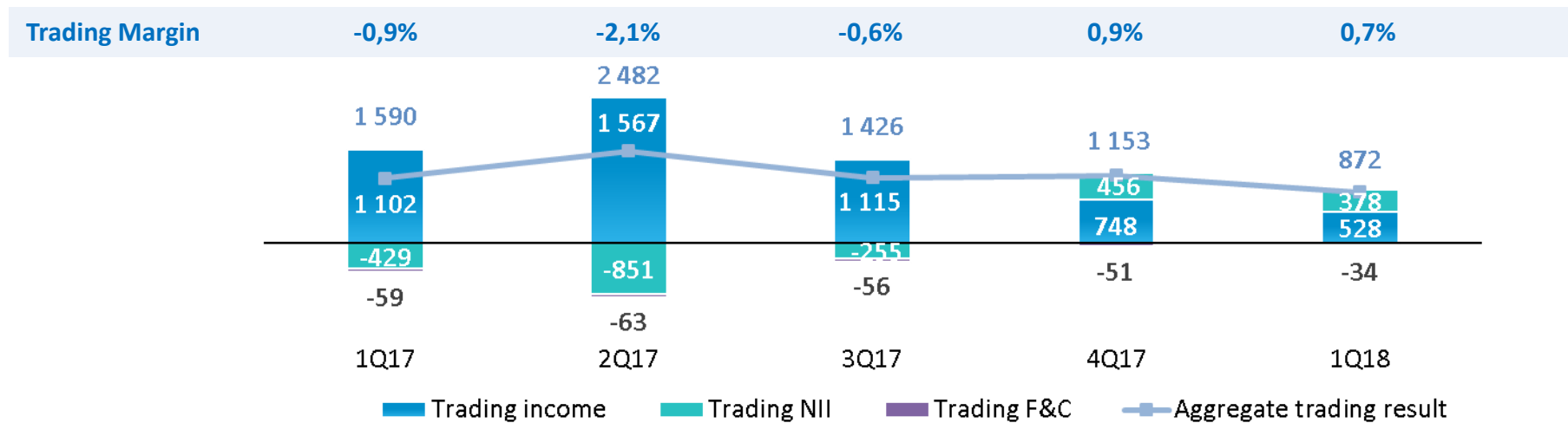


Core Banking vs Trading

Core Banking Results, RUB mln

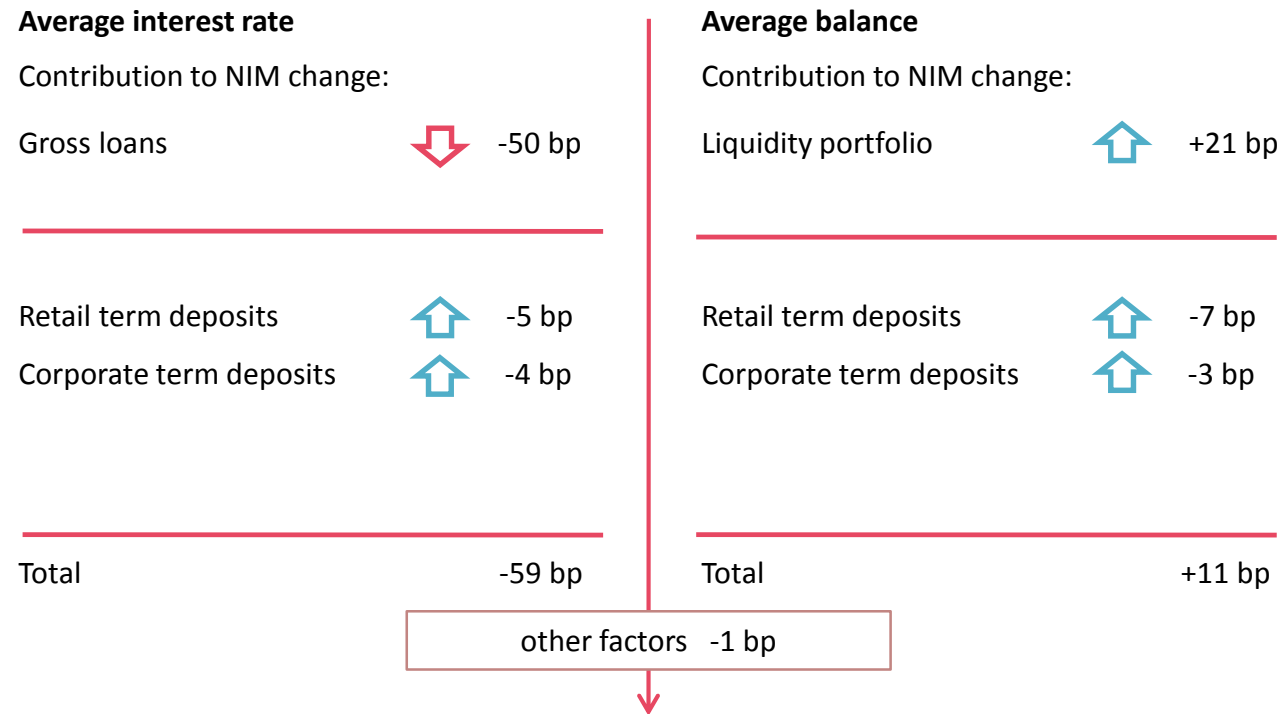


Aggregate trading results, RUB mln



Main Factors affected NIM in 1Q 2018

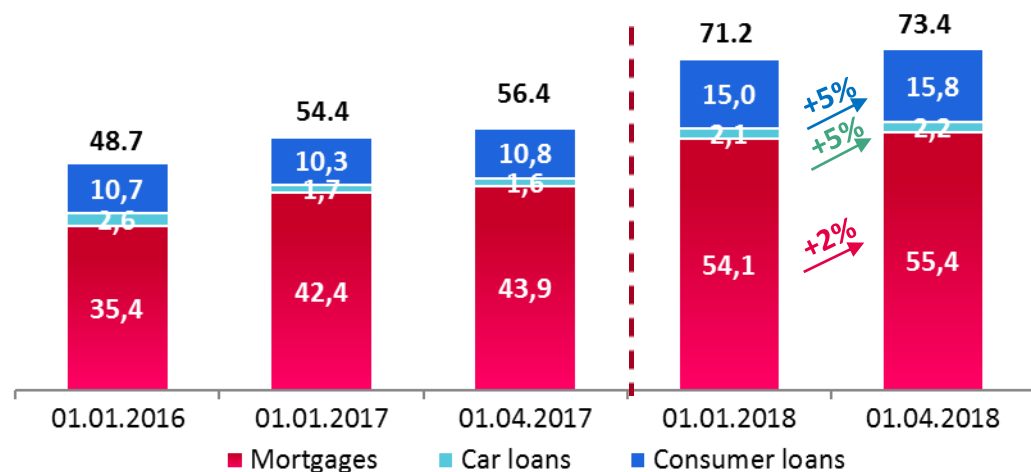
4Q 2017 Core Banking Margin – 5.9%



1Q 2018 Core Banking Margin – 5.4%

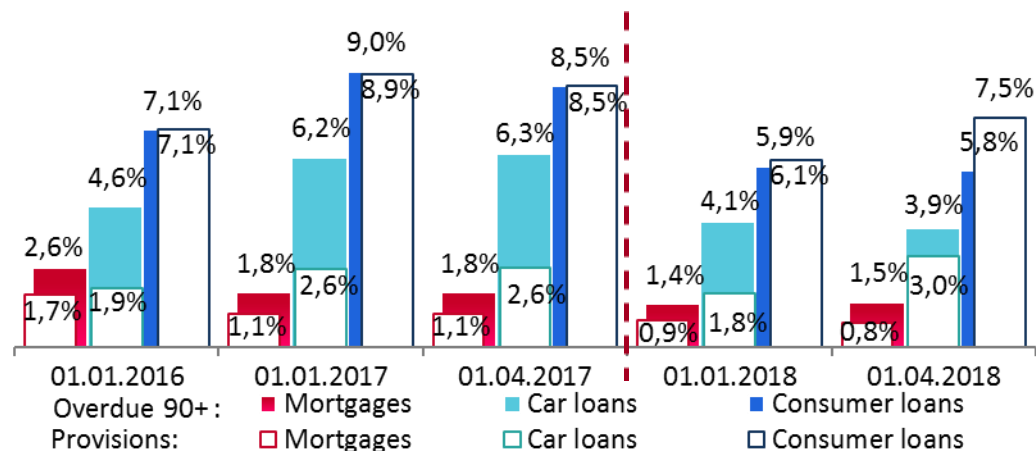
Retail banking: key point of growth

Retail loan portfolio growth, RUB bn



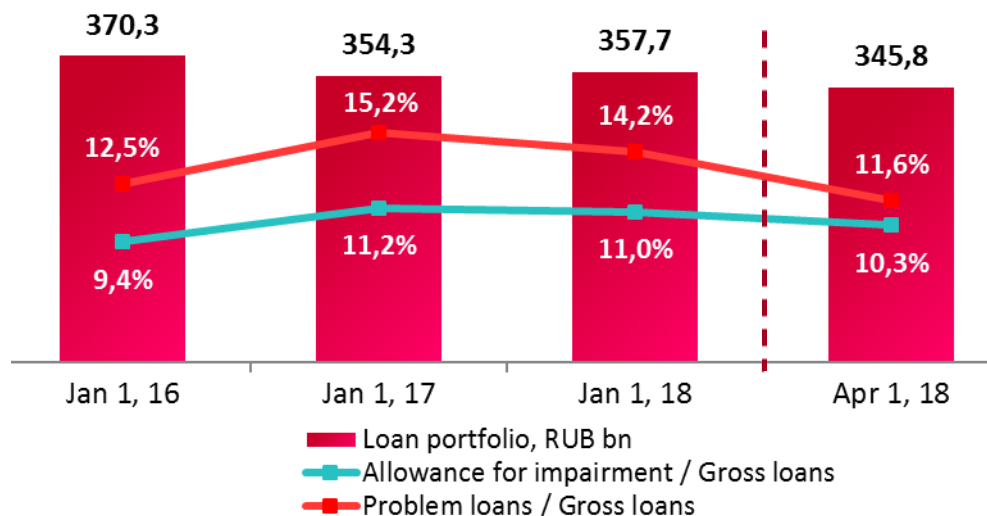
- ✓ Mortgage loans +26% y-o-y
- ✓ 14% share of new mortgage lending in SPb
- ✓ Car loans +35% y-o-y
- ✓ Consumer loans +46% y-o-y

Retail loan portfolio quality

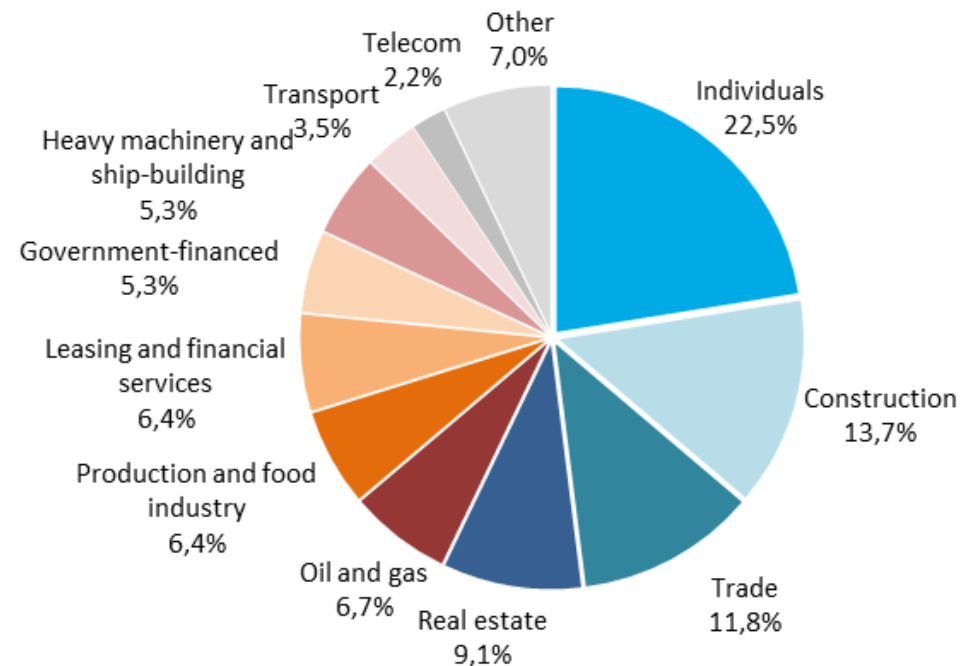


Loan portfolio and quality

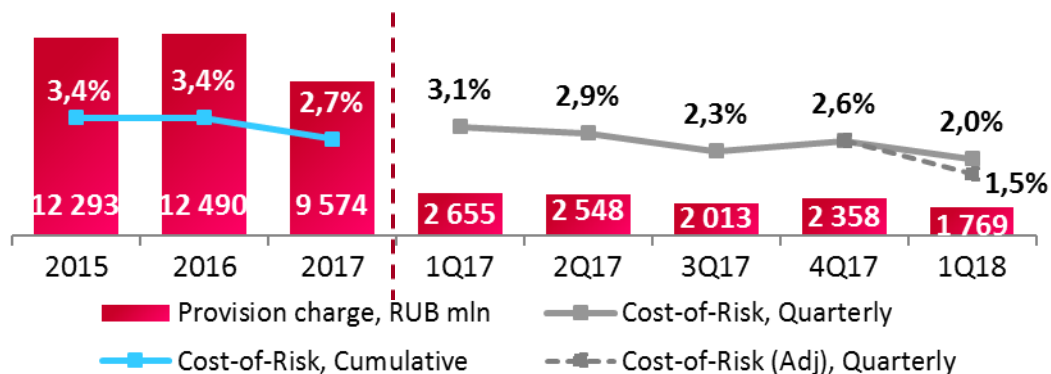
Loan portfolio quality



Loan portfolio by sector, April 1, 2018



Provision charge, RUB mln, and CoR, %



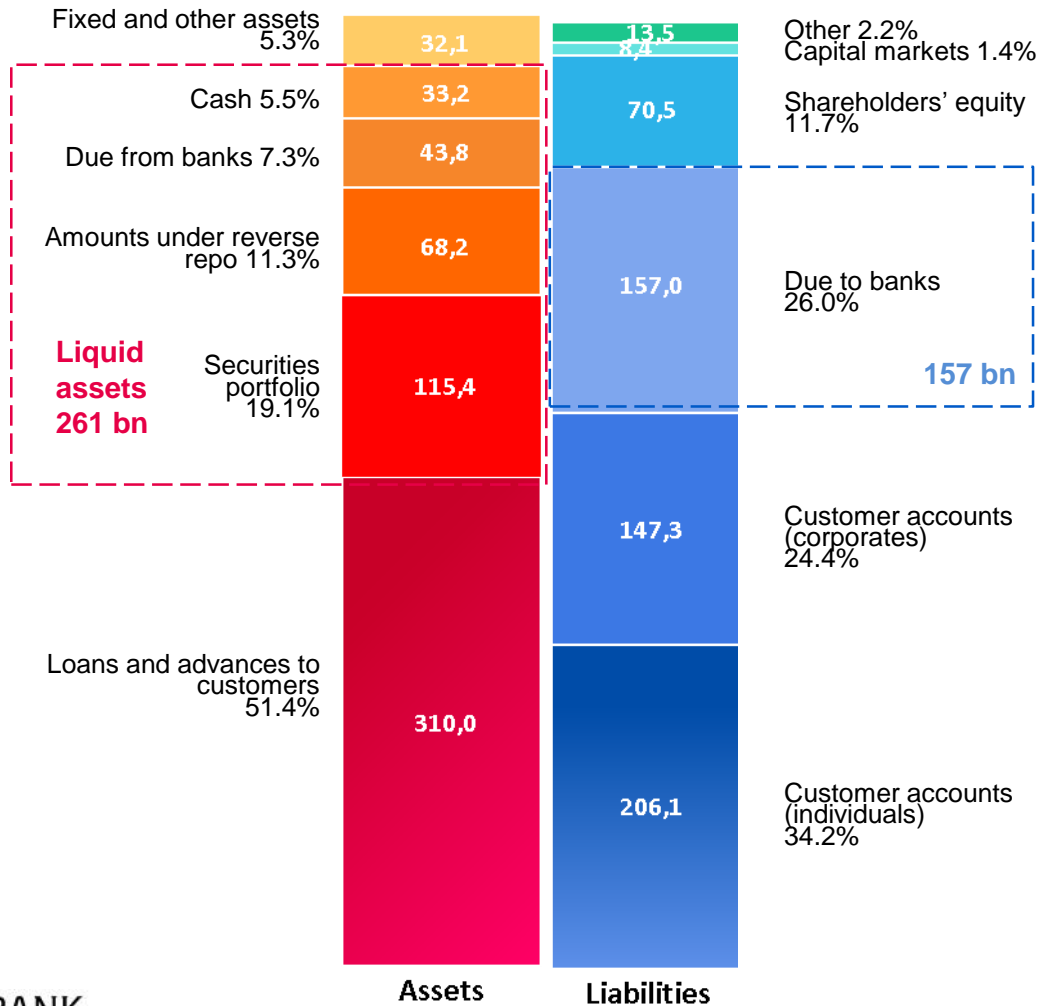
Comments

- IFRS 9 implementation leads to reduction of both gross loans and problem loans by RUB 7.0 bn
- Cost of Risk net of accrued interest payments on problem loans (see slide 3) in 1Q 2018 would be 154bp

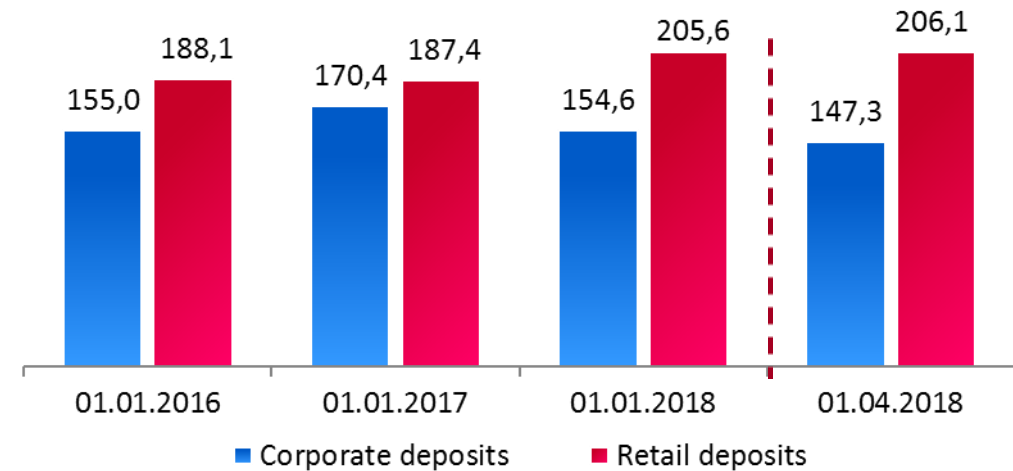
Note: Starting from Apr. 1, 2018, problem loans include all lifetime ECL credit-impaired loans (stage 3) and loans impaired at initial recognition (POCI). Before Apr. 1, 2018, problem loans included impaired not past due loans and 1-day+ overdue loans.

Assets and liabilities structure

Assets and liabilities structure, RUB bn,
April 1, 2018



Customer deposits*, RUB bn

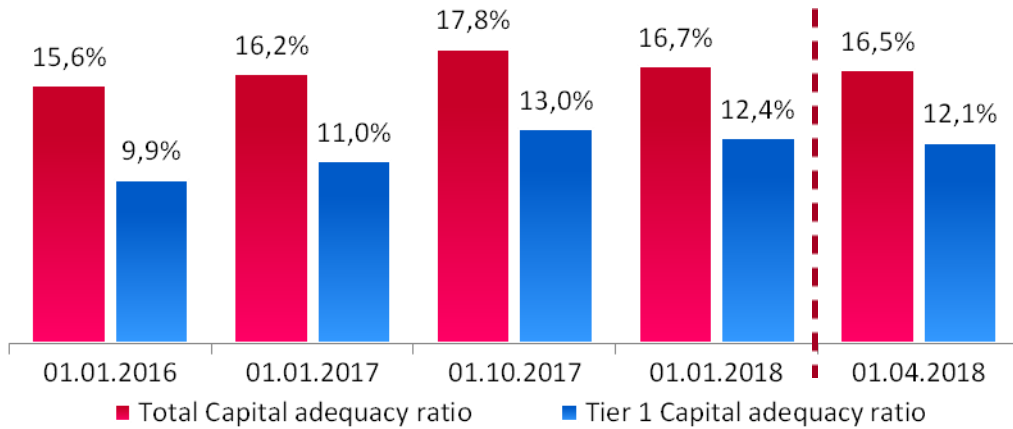


Comments

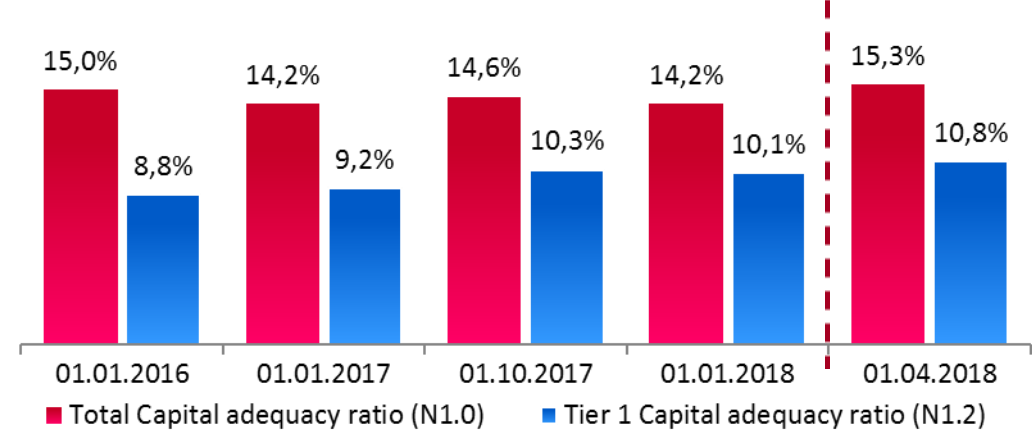
- Retail deposits represent 58% of total customer deposits
- Loans/Deposits Ratio 88%
- Conservative approach to risk: 98% of the debt securities ranked on a par or higher than the Bank
- Average duration of the bonds portfolio is 2.4 years

Capital adequacy

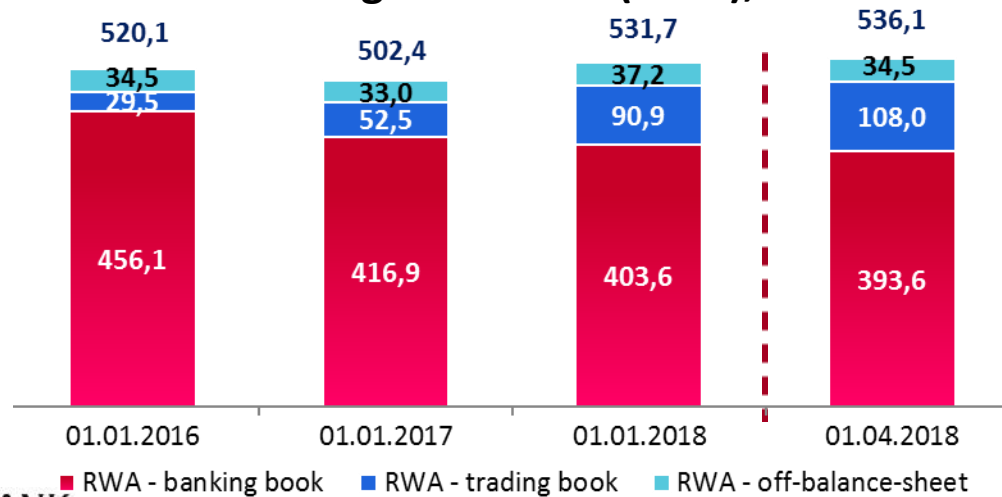
IFRS Capital adequacy, Basel I



RAS Capital adequacy, Basel III



Risk-weighted assets (RWA), RUB bn



Comments

- Comfortable level of all capital adequacy ratios

Key corporate actions & Recent developments

Dividends

On May 24, 2018, AGM made the decision on payment of dividends for 2017:

- ordinary shares: RUB 1.62
- preferred shares: RUB 0.11

Total sum of dividends: RUB 811 mln (20% of the Bank's 2017 RAS Net income); app. –15 bp contribution to Tier 1 and Total CAR

Dividend record date – June 4, 2018

Supervisory Board

New independent Supervisory Board member was elected:

Mr. Pavel Kiryukhantsev is a partner of Ward Howell, Managing Partner of Zest Leaders. More than 10 years in top management (Toyota, Ilim Pulp and others) and more than 23 years in management consulting.

FY 2018 targets

- ✓ Loan portfolio growth 5%
- ✓ Retail loans growth 20%
- ✓ Core Banking Margin 5.5-5.8%
- ✓ Cost of Risk 200-220bp
- ✓ Costs growth 5%
- ✓ C/I ratio 40%
- ✓ ROAE 12-14%

Presentation team



Konstantin Balandin
Deputy Chairman
of the Management Board



Konstantin Noskov
Vice-president, Head of Strategy



Elena Demicheva
Head of IR

All information for the investors is available on the Bank's web site: <https://www.bspb.ru/en/investors/>

Contact information:

E-mail: ir@bspb.ru

Phone: +7 812 332 78 36