

May 29, 2018

PRESS RELEASE

Bank Saint Petersburg's net profit increased by 25%

Financial highlights*:

- **1Q 2018 Net Income** amounted to RUB 1.8 billion (+25.1% compared with 1Q 2017);
- **1Q 2018 ROAE** amounted to 10.6% (9.7% for 1Q 2017);
- **1Q 2018 Cost of risk** decreased to 204 bp, the lowest level in 4 years.

*Consolidated IFRS FS for 1Q 2018.

Alexander Savelyev, Chairman of the Management Board, comments on the Bank's 1Q 2018 results:

"The first quarter results reflect our efforts made for the recent years in order to improve the loan portfolio quality. Lending to high-quality borrowers significantly reduced the cost of risk and, despite the decrease in margin, ultimately has a positive effect on the lending business profitability and the profitability of the Bank as a whole".

Bank Saint Petersburg is ranked 15th in terms of assets and 15th in terms of retail deposits among Russian banks (Interfax ranking). As at April 1, 2018, the Bank provides services to 1 965 000 individuals and 51 000 corporates; the number of cards issued by the Bank reached 1 320 000; the Bank's card network comprised of 814 ATMs. At present Internet Bank is used by 1 000 000 clients.

On May 24, 2018, the Annual General Shareholders' Meeting approved RUB 811 million dividend payout, that corresponds to 20% of 2017 RAS Net income. The dividend record date is 4 June, 2018.

Results summary for 1Q 2018

1Q 2018 Net interest income (NII) amounted to RUB 5.1 billion (+13.5% compared with 1Q 2017). Interest income for 1Q 2018 decreased by 9.5% compared with 1Q 2017; interest income is comprised mostly of interest income on loans and advances to customers (71.4%). Interest expense decreased by 24.6%: interest expenses on retail term deposits decreased by 3.5% (37.5% of total interest expenses) while interest expenses on corporate term deposits decreased by 30.3% (23.0% of total interest expenses). Payments to Deposit Insurance Agency increased by 36.6%. **Net interest margin (NIM)** for 1Q 2018 amounted to 3.6% (3.3% for 1Q 2017; 4.1% for 4Q 2017).

1Q 2018 Net fee and commission income increased by 18.5% compared with 1Q 2017 and amounted to RUB 1.4 billion. Compared with 1Q 2017, income from plastic cards settlements grew by 25.6% (42.8% of total F&C income), income from cash and settlement transactions grew by 15.4% (40.6% of total F&C income).

1Q 2018 Net trading income amounted to RUB 0.4 billion. 99% of the net trading income is comprised of gains from operations with foreign currencies and derivatives.

1Q 2018 Revenues amounted to RUB 7.3 billion, remained at the level of 1Q 2017.

The Bank's **Cost-to-Income Ratio** for 1Q 2018 stood at 41.7% (37.8% for 1Q 2017). **Operating costs** for 1Q 2018 increased by 9.9% compared with 1Q 2017 to RUB 3.0 billion.

Net income for 1Q 2018 amounted to RUB 1.8 billion (+25.1% compared with 1Q 2017). The Bank's **return on equity (ROAE)** for 1Q 2018 amounted to 10.6% (9.7% for 1Q 2017).

As at April 1, 2018, the **Bank's assets** amounted to RUB 602.7 billion (-0.7% compared with January 1, 2018).

Liabilities. Customer deposits totalled RUB 353.4 billion (-1.9% compared with January 1, 2018). As at April 1, 2018, 58.3% of customer deposits belonged to individuals and 41.7% - to corporate customers. During 1Q 2018, the volume of retail deposits remained unchanged; the volume of corporate deposits decreased by 4.7%.

Equity and capital. As at April 1, 2018, the shareholders equity amounted to RUB 70.5 billion (-0.6% compared with January 1, 2018). The Bank's total capital amounted to RUB 88.5 billion (-0.5% compared with January 1, 2018). As at April 1, 2018, the Bank's Tier 1 and total capital adequacy ratios were 12.1% and 16.5% respectively.

Loan portfolio before provisions totalled RUB 345.8 billion (-3.3% compared with January 1, 2018, of which -2.0% due to changes in accounting policy, including the IFRS 9 implementation). Loans to corporate customers represented 77.5% of the loan portfolio, loans to individuals – 22.5%. During 1Q 2018, corporate loan portfolio decreased by 5.2% to RUB 267.2 billion. During 1Q 2018, retail loan portfolio increased by 3.1% to RUB 73.4 billion (mortgage loans grew by 2.4%, consumer loans grew by 5.2%, car loans grew by 5.0%).

Loan portfolio quality. As at April 1, 2018, the share of problem loans in the Bank's portfolio amounted to 11.6% (14.3% as at January 1, 2018). The rate of provisions for loan impairment amounted to 10.3% (11.0% as at January 1, 2018). Provision charge for 1Q 2018 amounted to RUB 1.8 billion. For 1Q 2018, loans in the amount of RUB 1.1 billion were written off.

1Q 2018 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 April 1, 2018, the Bank provides services to 1 965 000 individuals and 51 000 corporates through its 68 offices in St. Petersburg, the Leningrad region, Moscow, Kaliningrad, including the representative office in Novosibirsk. It ranks 15th 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.

For further information please contact:

Elena Demicheva, Head of IR

Tel.: +7 812 332 78 36

E-mail: ir@bspb.ru

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