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PRESS RELEASE

Bank Saint Petersburg posted the all-time best 9M IFRS profit

Financial highlights*:

- Significant **loan portfolio** quarterly growth +6% up to RUB 376.2 billion;
- **Net interest income** for 9M 2018 increased by 13.5% and amounted to RUB 15.8 billion;
- **Net fee and commission income** for 9M 2018 increased by 12.2% and amounted to RUB 4.2 billion;
- **Net Income** for 9M 2018 reached the all-time best RUB 6.5 billion.

*Consolidated IFRS FS for 9M 2018.

Alexander Savelyev, Chairman of the Management Board, comments on the Bank's 9M 2018 results:

"Despite the volatile financial market and trading income decrease, we have posted strong third quarter results. Among the Bank's main achievements are loan portfolio growth and interest and fee and commission income increase. We are happy that core business of the Bank shows improving performance. Besides that, we were also successful with the progress in the Digitalization Strategy implementation which is evidenced by the fact that our Internet Bank for individuals ranked third among Russian banks in the UsabilityLab rating".

Bank Saint Petersburg is ranked 17th in terms of assets and 15th in terms of retail deposits among Russian banks (Interfax ranking). As at October 1, 2018, the Bank provides services to 2 050 000 individuals and 50 000 corporates. The number of cards issued by the Bank reached 1 300 000. At present Internet Bank is used by 1 083 000 clients.

In October 2018, the Bank completed all buy-back procedures and acquired 12 million shares at a price of 55 rubles per share. The Bank confirms the intention to cancel the acquired shares.

Internet Bank of the Bank ranked 3rd in Russia according to the ranking based on usability and functionality of Internet banks conducted by USABILITYLAB.

Results summary for 9M 2018

Net interest income (NII) amounted to RUB 15.8 billion for 9M 2018 (+13.5% compared with 9M 2017) and RUB 5.5 billion for 3Q 2018 (+5.0% compared with 2Q 2018). Interest income for 9M 2018 decreased by 4.6% compared with 9M 2017; interest income is comprised mostly of interest income on loans and advances to customers (71.8%). Interest expense decreased by 18.1%: interest expenses on retail term deposits decreased by 4.1% (37.0% of total interest expenses) while interest expenses on corporate term deposits decreased by 18.7% (20.7% of total interest expenses). **Net interest margin (NIM)** amounted to 3.7% for 9M 2018 and 3.8% for 3Q 2018 (3.4% for 9M 2017; 3.7% for 2Q 2018).

Net fee and commission income for 9M 2018 increased by 12.2% compared with 9M 2017 and amounted to RUB 4.2 billion. Compared with 9M 2017, income from plastic cards settlements grew by 18.2% (42.8% of total F&C income), income from cash and settlement transactions grew by 11.8% (41.0% of total F&C income).

Net trading income for 9M 2018 amounted to RUB 2.4 billion. Gains from operations with foreign currencies and derivatives amounted to RUB 3.8 billion, losses from operations with securities amounted to RUB 1.4 billion.

Revenues amounted to RUB 23.2 billion for 9M 2018 (-3.4% compared with 9M 2017) and RUB 7.7 billion for 3Q 2018 (-5.9% compared with 2Q 2018).

Cost-to-Income Ratio stood at 42.2% for 9M 2018 (38.2% for 9M 2017). **Operating costs** amounted to RUB 9.8 billion for 9M 2018 (+6.8% compared with 9M 2017) and RUB 3.1 billion for 3Q 2018 (-14.7% compared with 2Q 2018).

Net income for 9M 2018 reached the all-time best RUB 6.5 billion (+12.8% compared with 9M 2017). Net income for 3Q 2018 amounted to RUB 2.1 billion (-18.1% compared with 2Q 2018). The Bank's **return on equity (ROAE)** amounted to 11.9% for 9M 2018 (11.8% for 9M 2017) and 11.3% for 3Q 2018 (14.3% for 2Q 2018).

As at October 1, 2018, the **Bank's assets** amounted to RUB 613.0 billion (+1.0% compared with January 1, 2018; +1.8% compared with July 1, 2018).

Customer deposits totalled RUB 380.1 billion (+5.5% compared with January 1, 2018; +5.0% compared with July 1, 2018). During 9M 2018, the volume of current and settlement accounts increased by 20.4%; the volume of term deposits decreased by 0.9%. As at October 1, 2018, 59.4% of customer deposits belonged to individuals and 40.6% – to corporate customers.

Equity and capital. As at October 1, 2018, the shareholders equity amounted to RUB 74.1 billion (+4.5% compared with January 1, 2018; +2.9% compared with July 1, 2018). The Bank's total capital amounted to RUB 90.9 billion (+2.1% compared with January 1, 2018; +1.9% compared with July 1, 2018). As at October 1, 2018, the Bank's Tier 1 and total capital adequacy ratios were 13.5% and 17.7% respectively.

Loan portfolio before provisions totalled RUB 376.2 billion (+5.2% compared with January 1, 2018; +6.0% compared with July 1, 2018). Loans to corporate customers represented 77.2% of the loan portfolio, loans to individuals – 22.8%. During 9M 2018, corporate loan portfolio increased by 3.1% to RUB 290.5 billion. During 9M 2018, retail loan portfolio increased by 13.1% to RUB 80.5 billion (mortgage loans grew by 7.4%, consumer loans grew by 30.0%, car loans grew by 38.6%).

Loan portfolio quality. As at October 1, 2018, the share of problem loans in the Bank's portfolio amounted to 10.9% (14.3% as at January 1, 2018). The rate of provisions for loan impairment amounted to 10.0% (11.0% as at January 1, 2018). Provision charge for 9M 2018 amounted to RUB 5.9 billion. For 9M 2018, loans in the amount of RUB 3.3 billion were written off.

9M 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 October 1, 2018, the Bank provides services to 2 050 000 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 17th 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/>